



U.S. Department of State FY 2000 Country Commercial Guide: Switzerland

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TABLE OF CONTENTS

- I. EXECUTIVE SUMMARY (p. 6)**
- II. ECONOMIC TRENDS AND OUTLOOK (p. 8)**
 - Major Trends and Outlook (p. 8)
 - Principal Growth Sectors (p. 9)
 - Government Role in the Economy (p. 10)
 - Balance of Payments Situation (p. 12)
 - Infrastructure (p. 12)
- III. POLITICAL ENVIRONMENT (p. 13)**
 - Nature of Political Relationship with the United States (p. 13)
 - Major Political Issues Affecting Business Climate (p. 13)
 - Brief Synopsis of Political System, Schedule for Elections, and Orientation of Major Political Parties (p. 13)
- IV. MARKETING U.S. PRODUCTS AND SERVICES (p. 15)**
 - Distribution and Sales Channels (p. 15)
 - Information on Typical Product Pricing Structures (p. 16)
 - Use of Agents/Distributors; Finding a Partner (p. 16)
 - Franchising (p. 17)
 - Direct Marketing (p. 18)
 - Joint Ventures/Licensing (p. 20)
 - Steps to Establishing an Office (p. 21)
 - Selling Factors/Techniques (p. 22)
 - Advertising and Trade Promotion (p. 23)
 - Listing of Major Newspapers and Business Journals
 - Pricing Product (p. 27)
 - Sales Service/Customer Support (p. 28)
 - Selling to the Government (p. 28)
 - Protecting Your Product From IPR Infringement (p. 29)
 - Need for a Local Attorney (p. 29)
 - Performing Due Diligence (p. 30)

V. LEADING SECTORS FOR U.S. EXPORTS AND INVESTMENT (p. 31)

- Best Prospects for Non-Agricultural (p. 31)
 - Goods and Services
 - 1. Computer Software
 - 2. Computers and Peripherals
 - 3. Travel and Tourism Services
 - 4. Telecommunication Services
 - 5. Drugs and Pharmaceuticals
 - 6. Telecommunications Equipment
 - 7. Sporting Goods
 - 8. Analytical Process Control Instruments
 - 9. Medical Equipment
 - 10. Renewable energy Equipment
 - 11. Pollution Control Equipment
 - 12. Airport Services
 - 13. Aircraft and Parts
- Best Prospects for Agricultural Products (p. 51)
 - 1. Wine
 - 2. Fresh Green Asparagus
 - 3. Beef
 - 4. Raw Tobacco
- Significant Investment Opportunities (p. 53)

VI. TRADE REGULATIONS, CUSTOMS, AND STANDARDS (p. 54)

- Trade Barriers, Including Tariff and Non-Tariff Barriers
- Customs Regulations (p. 56)
- Tariff Rates (p. 56)
- Custom Broker's Fees (p. 56)
- Import Taxes Including Value Added Taxes, Purchase Taxes, Uplifts and Surcharges, and Provincial Taxes (p. 58)
- Import License Requirements (p. 59)
- Temporary Goods Entry Requirements (p. 60)
- Special Import/Export Requirements and Certifications (p. 61)
- Labeling Requirements (p. 61)
- Testing and Certification (p. 62)
- Prohibited Imports (p. 62)
- Warranty and Non-warranty Repairs (p. 63)
- Export Controls (p. 63)
- Standards (p. 64)
- Free Trade Zones/Warehouses (p. 65)
- Membership in Free Trade Arrangements (p. 66)
- Customs Contact Information (p. 67)

VII. INVESTMENT CLIMATE (p. 67)

- Openness to Foreign Investment (p. 67)
- Right to Private Ownership and Establishment (p. 68)
- Protection of Property Rights (p. 69)
- Adequacy of Laws and Regulation Governing Commercial Transactions (p. 71)
- Foreign Trade Zones/Free Ports (p. 71)
- Major Taxation Issues Affecting U.S. Business (p. 71)
- Performance Requirements/Incentives (p. 72)
- Transparency of the Regulatory System (p. 74)
- Corruption (p. 75)
- Labor (p. 75)
- Efficiency of Capital Markets and Portfolio Investment (p. 76)
- Conversion and Transfer Policies (p. 78)
- Expropriation and Compensation (p. 78)
- Dispute Settlement Including Enforcement of Foreign Arbitral Awards (p. 78)
- Political Violence (p. 79)
- Bilateral Investment Agreements (p. 79)
- OPIC and Other Investment Insurance Programs (p. 79)
- Capital Outflow Policy (p. 79)
- Major Foreign Investors (p. 79)

VIII. TRADE AND PROJECT FINANCING (p. 80)

- Brief Description of Banking System (p. 80)
- Foreign Exchange Controls Affecting Trade (p. 85)
- General Availability of Financing (p. 86)
- How to Finance Exports/Methods of Payment (p. 86)
- Types of Export Financing and Insurance Available to U.S. Exporters (p. 86)
- Availability of Project Financing (p. 87)
- List of Banks with Correspondent U.S. Banking Arrangements (p. 87)

IX. BUSINESS TRAVEL (p. 88)

- Business Customs (p. 89)
- Travel Advisory and Visas (p. 89)
- Holidays (p. 90)
- Business Infrastructure (p. 90)
- Temporary Entry of Goods (p. 91)

- X. APPENDICES (p. 91)**
 - A. Country Data (p. 91)**
 - B. Domestic Economy (p.92)**
 - C. Trade (p. 92)**
 - D. Investment Statistics (p. 93)**
- XI. U.S. AND COUNTRY CONTACTS (p. 93)**
 - E. U.S. and Country Contacts (p. 94)**
 - U.S. Embassy Trade Related Contacts (p. 94)
 - AmChams and Swiss Chambers of Commerce (p. 95)
 - Swiss Trade or Industry Associations (p. 97)
 - Swiss Government Agencies (p. 100)
 - Swiss Market Research Firms (p. 102)
 - Swiss Commercial Banks (p. 103)
 - U.S.-Based Multipliers Relevant for Switzerland (p. 103)
 - Other Multipliers Relevant for Switzerland (p. 104)
 - TPCC Trade Information Center (p. 105)
- XII. MARKET RESEARCH AND TRADE EVENTS (p. 106)**
 - F. Market Research (p. 106)**
 - U.S. Department of Commerce Industry Subsector Analysis (ISA) Reports (p. 106)
 - U.S. Department of Commerce International Market Insight (IMI) Reports (p. 107)
 - G. Trade Event Schedule (p. 107)**

I. EXECUTIVE SUMMARY

This Country Commercial Guide (CCG) presents a comprehensive look at Switzerland's commercial environment using economic, political and market analyses. The CCGs were established by recommendation of the Trade Promotion Coordinating Committee (TPCC), a multi-agency task force, to consolidate various reporting documents prepared for the U.S. business community. Country Commercial Guides are prepared annually at U.S. Embassies through the combined efforts of several U.S. government agencies.

Switzerland is a small, highly developed, multilingual country situated at the crossroads of Europe. Its population of slightly more than 7 million people is culturally diverse, well-educated and affluent. It serves as an excellent test market for businesses hoping to introduce new products into Europe.

The Swiss economy has recently emerged from several years of stagnation. The recession was brought on primarily by the strong Swiss franc and the overall recessionary climate in Europe which impacted the nation's tourism industry and was a serious drag on exports. Following depreciation of the Swiss franc during 1997 and stronger economic growth in Europe and the U.S., this began to turn around. Growth picked-up during the last half of 1997, was 2 percent in 1998 and will probably be about 1 percent in 1999. Similarly, unemployment peaked at 5.7% in February 1997 -- and was under 3% by May 1999. Per capita income continues to be the highest in Europe.

Trade has been the key to prosperity in Switzerland. The country is dependent upon export markets to maintain economic health and is dependent upon imports for raw materials and to expand the range of goods and services available in-country. Switzerland has liberal trade and investment policies and a moderate fiscal policy. The Swiss legal system is highly developed, commercial law is well defined, and investments are protected by solid policies.

The Swiss franc is one of the world's soundest currencies and the country is known for the soundness and stability of its banking industry.

A motivated workforce, laws promoting labor flexibility, and agreements between trade unions and employers' associations have meant very little labor unrest. The machinery, metals, electronics, and chemicals sectors are world-renowned for precision and quality. Together they account for well over half of Swiss export revenues. In agriculture, Switzerland is about 65 percent self-sufficient and imports about \$6 billion of agricultural products annually. Swiss farmers are one of the most highly protected and subsidized groups of producers in the world. The U.S. share of the Swiss agricultural import market is currently quite small, but the steady application of WTO rules should gradually improve the situation.

Tourism, banking, engineering and insurance are the leading sectors of the economy. Swiss trading companies have unique marketing expertise in many parts of the world, including eastern Europe, the far east, Africa and the Middle East. Not only does Switzerland have its own highly-developed tourism infrastructure (making it a good market for tourism-related equipment and services), but the Swiss are also intrepid travelers. Per capita, more Swiss visit the United States than from any other country. Tourism is the most important U.S. export to Switzerland (earning \$1.3 billion in 1997). In 1998 some 410,000 Swiss came to the U.S. as tourists -- and for the majority, it was not the first visit.

Switzerland is the seat of many international, inter-governmental or private organizations ranging from the United Nations and associated organizations to CERN (the European Laboratory for Particle Physics) to the International Red Cross. Switzerland is also a base for many multinational corporations. Switzerland is one of the most multilingual countries in Europe: German (64 percent of the population), French (19 percent), Italian (8 percent), other (9 percent with 1 percent Romansch). English is commonly understood in the business environment.

Country Commercial Guides are available for U.S. exporters from the National Trade Data Bank's CD-ROM or via the Internet. Please contact Stat-USA at 1-800-Stat-USA for more information. Country Commercial Guides can be accessed via the World Wide Web at <http://www.stat-usa.gov>; <http://www.state.gov/>; and <http://www.mac.doc.gov>. They can also be ordered in hard copy or on diskette from the National Technical Information Service (NTIS) at 1-800-553-NTIS. U.S. exporters seeking general export information/assistance and country-specific commercial information should contact the U.S. Department of Commerce, Trade Information Center by phone at 1-800-USA-TRAD(E) or by fax at (202) 482-4473.

II. ECONOMIC TRENDS AND OUTLOOK

- Major Trends and Outlook

During the 1990's, the Swiss economy has been Western Europe's weakest, with annual GDP growth averaging 0 percent between 1991 and 1997. The economic recovery, however, which began during the second half of 1997, continued during 1998 (2.1 percent growth) and most indications are that unimpressive but steady GDP growth will be recorded during 1999 and 2000. With the exception of exports, most sectors of the Swiss economy are currently showing sustained, if unspectacular, improvement from the lows reached in 1997. If as we expect, consumer spending remains healthy and investment by businesses in plant and equipment continues at a healthy pace, GDP growth of about 1 percent during 1999 can be expected.

Measures to reduce budget deficits at all three levels of government (federal, cantonal, local) will keep government spending virtually flat -- a plus for fiscal discipline but less positive from the standpoint of stimulating economic growth. The federal government's 1998 deficit was far less than expected at 0.9 percent of GDP and for 1999, a deficit of around 1.6 percent of GDP is anticipated.

Growth in investment and consumer spending are currently the factors keeping the Swiss economy moving forward. Improvement in the job market and consumer confidence, along with a certain amount of pent-up demand from years of recessionary caution, have boosted consumer spending which is likely to be sustained in the near term. For the second year running, investment in plant and equipment continues apace. Competitive pressures and the need to improve productivity are fueling this spending.

Traditionally, Switzerland's merchandise trade deficit has been more than compensated by a surplus in trade in services. This surplus will dip by about SF 1 billion in 1999 to SF 29 billion or USD 18.7 billion (7.5 percent of GDP). A similar performance is expected for 2000.

The economic stagnation experienced from 1991 to 1997 had a major impact on the labor market. Over this period, 255,000 jobs (aggregated as full-time job equivalents) were lost. To the surprise of most forecasters, however, the unemployment situation improved fairly dramatically from a rate of 5.7 percent in February 1997 (the highest in decades) to 2.8 percent in May 1999. The years of around 1 percent unemployment, however, are likely a thing of the past.

- Principal Growth Sectors

As a country with no significant natural resources, Switzerland has had to concentrate on the manufacturing and services sectors. The outlook for the near term is as follows:

Manufacturing: The machinery industry, together with metals and electronics, employs 9 percent of the country's workforce and normally contributes around 40 percent to Swiss export revenues. Lackluster GDP growth -- both domestically and in Europe -- is keeping this sector in the doldrums. However, restructuring efforts carried out over the last few years will leave the machinery sector in a stronger and more competitive position. The good record for creativity and innovation shown by the Swiss machinery industry in the past should continue to play an important role (particularly in new materials technology, micromechanics and microelectronics where there has been much R&D activity). The field of environmental technology, for instance, is expected to have good growth potential.

The entering into force of the GATT Uruguay Round agreement in 1995 will prove crucial for the Swiss machinery sector. The export-oriented machinery manufacturers will benefit from lower tariffs and liberalization of public procurement. Other agreements included in the Uruguay Round, such as TRIM's and TRIP's will improve conditions for direct investments abroad, and bring better protection of patents, technical know-how, and the like.

The chemical industry was one of the few sectors in the Swiss economy that performed well in spite of the 1991-1997 recession. As with the machinery sector, chemicals will also benefit from the GATT agreement; but because this sector is even more oriented toward external trade, the positive effects of the Uruguay Round will probably be of even greater magnitude. Because research plays a key role in the chemical sector, TRIP's and TRIM's represent major improvements for this sector. Within the chemical branch, pharmaceuticals offer the biggest growth potential, since they will benefit most from longer and better patent protection.

Services: The two most buoyant components of the services sector have been banking and insurance. Within the banking sector, commercial and private banks have the most growth potential. The increase in world trade and industrial activity will naturally bring more business to commercial banks. With their global operations, the large Swiss commercial banks stand to gain a fair share of the business. With the merger of Union Bank of Switzerland and Swiss Bank Corporation, the new United Bank of Switzerland (UBS) is now Europe's second largest bank (measured by total assets). Mutual funds and institutional investors have gained in importance, and represent good growth prospects for commercial and private banks which have moved into these areas.

The insurance industry is equally important for Switzerland, and the Swiss are the most-insured people in the world. There are well over 100 insurance companies in the country, approximately 10 percent of which specialize solely in the reinsurance business; of the latter, Rueckversicherung is the world's second-largest reinsurance company. Swiss insurance companies have been consistently strong performers and earnings are likely to continue to grow in 1999 and beyond.

Agriculture: In recent decades, agriculture has lost its relative importance in the Swiss economy (though not in society or politics), and its preservation in its current form has been due largely to governmental intervention and support. The Swiss system for protecting its farmers is now undergoing reform, due to the need to reduce the budget deficit and due to pressure from consumers and Switzerland's trading partners. The Uruguay Round agreements require Switzerland to eliminate non-tariff barriers, reduce export subsidies, make binding commitments on its schedule of agricultural tariffs, and decrease levels of domestic support payments. Consequently, the Swiss agricultural sector will be more responsive to market forces and increasingly open to foreign goods.

- Government Role in the Economy

Switzerland has a market economy based on the principles of free enterprise. Freedom of trade and of industry are guaranteed by the Federal Constitution, and state intervention is minimal. Government policy is primarily aimed at providing the economy with a favorable framework -- stable currency and prices, an efficient infrastructure, and training that will yield the required skills.

Under Switzerland's federal, cantonal and communal system of governing, the federal government has responsibility for foreign affairs, internal and external security, customs, communications, and monetary control, while the cantons control all other state functions. In many areas, the federal government simply legislates and supervises, while the 26 cantons implement the legislation. The cantons enjoy a high degree of administrative authority, with their own constitutions and laws. The communes, of which there are over 3,000, also enjoy a high degree of independence. They have considerable control over local issues, and even collect taxes. All three levels of government have little direct involvement in manufacturing and services.

Indirect involvement is evident in the extensive number of government regulations, especially at the local level. Building codes, regulated hours of establishment, labor laws, zoning ordinances, environmental regulation (for instance, garbage control), noise codes and administered prices are examples of areas where rules and regulations are more pervasive than in the

United States. Mandatory health insurance is a typical example of the Swiss approach to government involvement in the economy: insurance and health care are provided privately, but the government requires employees to have the insurance (and subsidizes those who cannot afford it).

While government regulation is generally quite extensive, in the area of competition law the situation has been the opposite. Cartels were openly permitted and were only broken up when the government succeeded in proving that they were socially and economically harmful -- a daunting challenge that the government rarely took up. In 1996 a new law went into effect which strengthened the government's hand in blocking anti-competitive mergers, and shifted the burden of proof to corporations that may be engaged in cartel-like activities. However, by American (or European Union) standards, even the new law is relatively weak.

Another anomaly is the agricultural sector. To protect its farmers and adhere to national security goals to remain 65 percent self-sufficient in food, the government has developed a complex system of protection which effectively limits imports of any domestically produced products. Particularly dairy and grains. The Swiss constitution provides the foundation for agricultural policy. The two primary objectives are preservation of a viable farm sector and stockpiling to ensure availability of food. Swiss producers, particularly those in Alpine and other difficult zones, are heavily supported. Overall, approximately 80 percent of gross farm income can be attributed to government intervention. Milk price support is one of the main ways that farmers are supported, and while prices have been modestly lowered this year, they remain significantly higher than EU prices.

Agricultural reform has been a major issue in Switzerland recently due to both the federal budget deficit and Uruguay Round commitments. The government's position is that Swiss agricultural policies and regulations should be adjusted to be more in line with EU policies. This requires further reductions in administered prices.

The process of agricultural policy reform started in 1993 when prices of the politically sensitive dairy sector were first reduced. The process culminated in 1998, when the Parliament approved a new package of agricultural policy measures. Administered prices will continue to decline and direct payments will be tied to environmental production methods.

The Uruguay Round commitments require Switzerland to eliminate or reduce export subsidies, phase out non tariff barriers and accelerate reductions in administrative prices. High tariffs and tariff rate quotas will be maintained for most products which are domestically produced. The Uruguay round agreement has improved market access for some U.S. agricultural exports.

- Balance of Payments Situation

Trade balance and current account: According to the Swiss National Bank (SNB): Switzerland's current account surplus fell by SF 2 billion to SF 31.1 billion in 1998. This latter figure is equivalent to 8.1 percent of GDP. In value terms, exports of goods rose by 3.2 percent and imports by 5.2 percent. The balance of trade showed a deficit of SF 1.8 billion. The surplus from services contracted by SF 0.3 billion to SF 18.5 billion over the year. A further rise in revenue from personal travel was recorded while the banks' commission earnings diminished substantially. The surplus from employee compensation and investment income increased by SF 0.3 billion to SF 20 billion. Investment earnings from abroad rose more markedly overall than the corresponding payments remitted to foreign countries. This was due principally to higher net earnings from direct investment. The deficit from current transfers amounted to SF 4 billion, slightly less than in 1997.

Capital account: The SNB reports that in 1997 (the latest figures available), the capital account deficit decreased by 7.8 percent to SF 32.15 billion (\$ 22.2 billion). While there was only a slight change in Swiss direct investment abroad, foreign direct investment in Switzerland almost doubled (increase of 46 percent). The deficit in portfolio investments, both in Switzerland and abroad, increased by about 32 percent. (**note:** SNB FDI figures are book values)

- Infrastructure Situation

Switzerland's infrastructure is modern and well-developed. The country has an extremely dense and efficient rail network, an extensive road system (complete with tunnels to compensate for the mountainous terrain), two major international airports (Zurich, Geneva) and a few smaller airports with international connections.

Switzerland has a state-of-the-art marine communication network with some 30 ocean-going vessels, and carries out river-borne cargo services with connections to the North Sea via tugs and barges on the Rhine river. The port of Basel is a major terminus for goods handling, with efficient connections between rail, road and water. Custom-bonded warehouses and duty free areas exist in and around all major cities.

Switzerland has very high computer usage rates and a large percentage of the population uses computers on a regular basis. The year 2000 problem has been heavily publicized and government, businesses and private individuals have taken steps to overcome the problems and Switzerland will likely be among those countries best prepared for what the new millennium might bring.

III. POLITICAL ENVIRONMENT

- Nature of Political Relationship with the United States

U.S. relations with Switzerland continue to be strong, although the dialog over Holocaust-era assets and Swiss activities during the Second World War have caused some strains. The U.S. Government welcomes the Swiss government's greater international engagement. In recent years, Switzerland has been increasingly active in multilateral fora dealing with finance, export controls/nonproliferation, refugees, law enforcement, human rights, and trade, to name only a few.

- Major Political Issues Affecting Business Climate

In the wake of the Swiss voters' rejection of the European Economic Area (EEA) Agreement in 1992, the Swiss federal government set its sights on negotiating bilateral sectoral agreements with the European Union. After more than four years of negotiations, an agreement covering seven sectors (including land/air transport, agriculture and free movement of persons) was achieved at the end of 1998. The Swiss federal government is committed to EU membership as a long term goal, although this course is opposed by a significant number of Swiss.

U.S. companies doing business in and with Switzerland have not, to date, indicated any direct business problems associated with the EEA rejection. U.S. companies already acclimated to EU business practices and regulations should experience no difficulties in Switzerland, as the underlying Swiss goal is to make its trading environment as compatible as possible with that of the EU while still maintaining Swiss political and economic integrity.

- Brief Synopsis of Political System, Schedule for Elections, and Orientation of Major Political Parties

Switzerland has a relatively weak federal government and no recent tradition of strong executive leadership wielded by a single individual. Many executive and administrative powers are vested in the 26 cantonal governments rather than in the federal government in Bern. Federal executive decision-making is undertaken by the seven-member Federal Council (cabinet). Its members head the various federal ministries: Finance, Foreign Affairs, Justice, Economics, Interior, Transportation (along with

Energy and Environment), and Defense combined with Sports. The largely ceremonial position of President of the Federal Council (head of government) is rotated annually among the councilors according to seniority. The current President is Interior Minister Ruth Dreifuss. On occasion, councilors may exchange ministerial portfolios as new members are appointed. In May 1999, however, when Joseph Deiss and Ruth Metzler became the newest members of the Federal Council, they simply took over the two portfolios of the retiring councilors (Justice and Foreign Affairs). The Federal Council strives to present a collegial image and to govern by consensus. Its deliberations are private. Contentious issues that cannot be decided by consensus are determined by majority vote, results of which are not released.

The composition of the Federal Council reflects the so-called "magic formula" coalition that has governed Switzerland since 1959. Under this informal arrangement, the four largest political parties, which generally receive 70-75 percent of the popular vote in federal parliamentary elections held every four years, fill the seven positions on the Federal Council. In the coalition are three center-right parties (Free Democrats, Christian Peoples' Party and Swiss Peoples' Party) and the left-of-center Social Democrats. The three largest parties in terms of popular vote (Free Democrats, Christian Peoples', and Social Democrats) each receive two Federal Council seats; the Peoples' Party receives one. In addition, it is understood that there will always be at least two Federal Councilors from French-speaking cantons. As part of an effort to revise the Federal Constitution, Parliament recently abolished the constitutional clause stipulating that no canton may have more than one representative on the Federal council.

The presence of left and right-wing elements in the governing coalition has allowed it to co-opt more extreme parties in the spectrum. The coalition's ideological diversity has brought long-term political and social peace. Parliamentary elections in October 1995 reaffirmed the "magic formula" coalition. Proposed revisions to the Swiss constitution are currently being considered which could result in a strengthening of the president's powers. Any constitutional revision, however, is subject to a referendum before coming into force.

Treaties, agreements, and legislation approved by the Parliament are subject to challenge by popular vote in Switzerland's unique system of initiative and referendum. These votes allow unusually intense popular involvement in the legislative process and keep the federal government under scrutiny.

IV. MARKETING U.S. PRODUCTS AND SERVICES

- Distribution and Sales Channels

The most effective method of importation into and distribution within Switzerland depends on the type of product and the location of manufacturing or distribution sites. Capital goods manufacturers may find direct exporting most desirable when contracts with a limited number of customers represent an appreciable share of the market. However, a company new to the Swiss market, or one whose products require training for use and after-sales service, is well advised to engage the services of a technically-qualified Swiss agent with good market knowledge.

Swiss buyers of raw materials often use specialized importers. Large orders may be made directly from producers overseas, specialized trading firms, or transshippers. As the metals industries tend to be less developed, with the exception of aluminum, imported materials usually consist of semi-processed or processed items.

A number of large international trading and transit companies operate in Switzerland. Parent companies in Switzerland carry out the transactions, while foreign affiliates or representatives may handle such aspects as shipping, receipt, and verification of the goods. In some cases, the imported goods never enter Swiss customs territory. Most of these firms are members of the Swiss Association of International Trading Houses (Schweizerischer Verband der Internationalen Handelsfirmen).

Manufacturers and exporters of consumer goods may deal with a wholesaler (who is usually also the importer), engage the services of a representative, or sell directly to buying offices of large retail chains especially if dealing with mass-produced goods. Most often a representative or agent, who usually specializes in one or more product groups, is made responsible for distribution in the whole country.

Import and Wholesale Trade: Many Swiss wholesalers are also importers, and they generally expect exclusive regional or national rights for the imported product. Wholesalers maintain stocks of a range of products, and provide quality control, transport, warehousing, and financing. Associations of wholesalers have been created for various sectors to protect their common interests and to facilitate more effective competition with other forms of distribution. Most wholesalers and importers also belong, either through sector associations or individually, to the Federation of Swiss Importers and Wholesale Traders (Vereinigung des Schweizerischen Import- und Grosshandels).

Retail Trade: The structure of retail trade in Switzerland has been changing. One trend has been a decreasing number of independent retailers, giving way to an increasing number of self-service and discount stores, supermarkets, and the like. A tendency toward specialization in food distribution, has been

particularly noticeable. Faced with an increasing number of large, vertically integrated retail establishments with nationwide coverage, individual retailers have set up organizations to provide wholesale purchasing, importing, and other services. Functioning as cooperatives, most of these retailers' buying groups and associations are in the foodstuffs business, but they can also be found in textiles, leather goods, sports articles, pharmaceuticals, toys, and hardware.

Vertically integrated retail firms account for a large part of local trade. Department stores, chain stores, consumer cooperatives, discount stores and supermarkets form the bulk of such retailers. The tendency is not to specialize in a good or service but to deal in a wide range of products and services. Their vertical structure and centralized buying give them a competitive advantage over independent retailers.

Retail traders continue to rationalize their operations in order to counteract the effects of the ongoing, stiff competition. Scanner cash registers for bar-coded articles are in wide use in the country. The use of electronic cards to ease payment transactions is similarly growing (cards issued by the Swiss Post, where numerous Swiss have accounts, are particularly popular). In 1987, Swiss retail groups joined forces to form the Electronic Payment System Association (Verband Elektronischer Zahlungsverkehr).

- Information on Typical Product Pricing Structures

There continue to be many small businesses in Switzerland -- operating on high margins with relatively low turnover. There are very few discounters in the country and, as a result, markups can easily be 100 % or higher.

- Use of Agents/Distributors; Finding a Partner

Two principal types of representatives are provided for by Swiss law: (1) Agents, who are independent, can work for several firms, and are compensated by commission. Their activities are governed by a 1949 federal law on agency contracts. Swiss law does not permit a principal to inspect the books of his Swiss agent. (2) Traveling salespeople (Handelsreisende), who are employees of the company they represent. Under a 1941 federal law, they are entitled to a fixed salary, with or without commission, and reimbursement of travel and entertainment expenses.

For a company interested in entering the Swiss market, finding and selecting the right person or firm for representation is important and sometimes difficult. Favorable terms may be required to obtain good representation for a new product or an unknown firm.

U.S. firms seeking representation in Switzerland should contact

their nearest U.S. Department of Commerce Domestic Office to order an Agent/Distributor Search service (ADS), a customized search conducted by Commercial Service specialists which helps identify agents, distributors and foreign representatives for U.S. firms based on the foreign companies' examination of U.S. product literature (a fee of \$250 is charged). For companies willing to travel to Switzerland meet with potential agents/distributors, the Gold Key service is ideal (contact our office in Bern directly). Other means of locating representation include visiting trade fairs, advertising in Swiss periodicals, and engaging the services of professional organizations in the United States or Switzerland.

Once a potential partner has been identified, it is frequently a good idea to request a financial profile of the company. These can be obtained at a relatively low cost from Dun & Bradstreet in the United States.

- Franchising

More than 150 franchisors are currently operating in the Swiss market, some 20 of which have more than ten outlets. Around 25 percent of all franchisors are of domestic origin, 25 percent are American, and a large number are of French origin. Franchising is on the increase in the service and catering sectors. For instance, the Accor group and Wagons Lits group, Compass group and Bon Appetit group run several restaurants (Eurest, SSG), catering systems, and hotels. Franchising has long been practiced in the automotive sector. It has also been successfully applied in the distribution and retail business for clothing, baby and children's products, beauty and personal care, giftware, and the like. Industry franchises (Coca-Cola, Pepsi, Yoplait, etc.) are well integrated and active. Good opportunities exist in the restaurant business (e.g., McDonald's, Burger King, Pizza Hut, Wendy's, Subway and TGIF franchises are present), in the service sector, in management and career improvement (with Manpower and Kelly's Employment Service etc.) as well as in schooling methods. New retail concepts, home improvement services, and computer training are other growth areas.

Franchise experts advise new-to-market franchisors and masters to adapt the franchise package or business format and message to the cultural traits and customs of specific regions and countries of Europe (only rarely can a franchise concept simply be taken over from the United States -- success almost always requires adaptation to the market). This advice particularly applies to a small, multilingual country like Switzerland, where franchise packages can be tested in different cultural environments (French in Geneva or Lausanne; German in Zurich, Basel or Bern; Italian in Lugano). Lessons learned in Switzerland can be applied in larger, neighboring countries. The availability of capital and Switzerland's highly-developed service, transportation and communications links can be used by U.S. franchisors to control

their franchise interests in Europe through a Swiss-based head office.

Prospective masters and franchisees should be properly screened. It is advisable to undertake a feasibility study and invest in a pilot operation prior to implementing a business plan, especially if it has not been tried in Europe before.

Franchising's penetration of Swiss retail trade is far from the 40 percent of retail sales it represents in the U.S. The main reason for this is that financing is readily available to Swiss to operate their own distribution or retail chains or stores in Switzerland. However, with unemployment at more than 3 percent, executives and people with disposable start-up capital are keener about establishing their own businesses through franchising than they were before. Outplacement and executive counselors often advise clients to consider franchising. The Swiss Franchise Association is active in holding seminars and workshops.

- **Direct Marketing**

Home shopping, meaning the direct sale of goods from a private location, is becoming increasingly popular in Switzerland. This method of direct marketing has recorded enormous growth - the turnover for these direct sales companies has doubled within the last five years. The home shopping boom has reached a record high and products sold range from the well-known Tupperware, to lingerie or to new recipes and cleansing agents. More than 5,700 sales people are members of the Swiss Association of Direct Marketing Companies (Schweizerischer Verband der Direktverkaufsfirmen VDF) mail order companies not included. They can count more than one million client-contacts during the business year 1997/98, thereby generating a turnover of 283 million Swiss Francs (\$195 million).

Most of the products sold at 'Home Shopping Parties' are top grade and innovative and cannot be found at retail stores. Within the VDF association only the British company Body Shop offers the identical cosmetic and personal hygiene products that can be found in their shops - for the same price. The advantages of home shopping frequently mentioned by participants are the competent advice offered by the sales person, the relaxed and friendly atmosphere of the private location, the combined 'shopping and meeting friends experience' and the possibility of testing the products offered on the spot. Some of the most popular products sold through the direct marketing system in Switzerland include:

Photos and Books: The Bertelsmann-Verlag with its 40 volume encyclopedias, is one of the best known companies in this sector. Besides that, a whole variety of photographs are also frequently offered. The company Air-Color, for example, specializes in photos that are individually taken from a helicopter and then sold through direct distribution.

Personal Hygiene: Beauty products are predestined to be sold via personal demonstrations at private locations. Personal hygiene products ranging from soap to night creams are ideal for direct sale as home shoppers can try out the various products and profit from the personalized consultation. Amway is one of the strongest representatives in this sector, offering cosmetics and a whole variety of personal hygiene products. Other companies in this field are Deesse, Just, Jafra and the Body Shop.

Jewelry and Apparel: Costume jewelry is successfully sold by companies like Jenny Lane, Pierre Lang or Papillon. None of these firms offers precious jewelry though. The direct sale of clothing items has by and large failed due to the modest margins and the huge variety of products. Lingerie sales for women, however, are gaining in popularity.

Cleansing Agents: The 'Just' products have been sold through home shopping for generations. Other companies that sell top quality, ecologically friendly cleansing products include Blidor and Amway; both of them also offer personal hygiene products.

Household Articles: Items range from Tupperware (every Swiss household has at least one of their famous items) to special cooking pots and pans that allow cooking without any or very little fat or water. A huge variety of electrical appliances and various cleaning devices can also be found in this sector. New-to-market products are especially popular with home shoppers. Products in this field are offered by AMC (Schweiz), Borna, Imco Waterless AG, Lux and Vorwerk.

Food/Nutrition: Offerings consist of fat-free bouillon, sauces and salt-free spice mixes, mostly prepared and tasted on the spot. Multivitamin products and food supplements in general have also proven to be very popular among participants at home shopping events. Power-drinks that cover a whole day's requirement for vitamins, proteins and minerals are successfully marketed through the direct sale system as well. Nahrin AG, Edifors and NBC Nutrition & Bodycare Concept AG are the major competitors in the nutrition sector.

The advantages of the direct marketing system for manufacturers are threefold: As home shopping parties are usually held at private locations, no costs for shop rental and the like arise. The word of mouth advertising from satisfied customers makes huge advertising budgets superfluous and there is usually only a single sales person between the manufacturer and end-user, eliminating the cost-intensive intermediate trade all together. Additionally, the direct marketing companies can profit from the pressure to buy, which stems from the social nature of such events.

The members of the Swiss Association of Direct Marketing Companies

(VDF) are obliged to follow a so-called code of honor, which also regulates the rescission of a contract within seven days that is required by Swiss law. In addition to that, many of the VDF members are willing to accept returns even after this time period has elapsed. Furthermore, the association offers assistance should problems or misunderstandings arise that cannot directly be solved with the sales person or manufacturer. The VDF sign on a consultant's ID can therefore assure the consumer of the company's seriousness and integrity. New companies that apply for VDF membership need to undergo an extensive examination, conducted by the association.

- Joint Ventures/Licensing

Joint ventures: Although joint ventures are not specifically governed by law, they are usually classified under Swiss company law as an ordinary partnership (Einfache Gesellschaft). Legally, a joint venture consists of two or more individuals or corporations for the realization of a particular project. Its name is not protected by law, nor can it be registered in the Swiss Commercial Register (Handelsregistrar).

Licensing: The Swiss often rely on licensing arrangements to acquire know-how, and excel in adding value to imported raw goods and services, earning revenue through exports. Licensing can therefore be a successful and profitable market entry strategy for U.S. firms.

In most sectors U.S. licensors will readily find prospective licensees with the manufacturing and marketing skills to successfully handle the product not only in Switzerland, but also in other European countries. Swiss expertise in exporting, flexibility in adapting to difficult markets and skill in precision engineering will benefit a U.S. licensor.

The pros and cons of adopting a licensing strategy must, however, be compared to other methods of market entry. The key to success in licensing lies in screening the prospective licensee to assess capabilities, interest and motivation. Swiss intellectual property legislation protects know-how and patent transfer arrangements; and some cantons allow tax write-offs on intellectual property and tax-free or preferential treatment of royalties earned through know how transfer and licensing. Appropriate legal advice can be obtained from competent Swiss-based patent and licensing attorneys. The Licensing Executives Society has an active chapter in Switzerland.

- Steps to Establishing an Office

The actual mechanics of forming and registering an office in Switzerland can be accomplished in two-three weeks, but the planning process can be more time-consuming and should take many factors into consideration. One of the most important is location within Switzerland, because tax laws, availability of work permits, availability of labor force, and availability and cost of business facilities vary widely among cantons. Some cantons may offer special incentives for foreign investors.

Once a location is selected, the company must be registered in the Commercial Register (provided annual turnover amounts to at least SF 100,000 (\$ 71 thousand); if less, the company may register if all other conditions are met, but is not required to). Registration documents contain the company name, amount of share capital, business purpose, names of directors and managers, and names of those who have signatory powers. Documents must be notarized and superlegalized by an "apostille" (legalization of the notary's signature), and if required by the particular canton, translated by a recognized translator into German, French or Italian.

The company's board of directors must consist of a majority of Swiss citizens, residing in Switzerland (but the shares can be overwhelmingly held by foreigners -- except for banks or real estate). Foreign controlled companies usually meet this requirement by nominating Swiss directors who hold shares and perform functions on a fiduciary basis. The manager need not be a Swiss citizen, but at least one person authorized to sign with a sole signature or two persons authorized to sign by joint signature, must be Swiss residents.

Registration also includes special wording that the company, if a branch of a foreign corporation, is relatively independent from the corporation's head office from an economic and noneconomic point of view. This basically enables the branch to exist as if it were a separate legal entity in Switzerland. The branch must have its own books of account, although such books may be kept by the company headquarters or by a third party. A branch does not

enjoy limited liability. For that reason, American companies should normally set up a subsidiary.

Employment regulations and restrictions are often a concern to businesses once they have registered. Foreign employees must have work permits, which are granted at the cantonal level (who have quotas) and approved at the federal level. Hiring domestic residents is more straight forward. There is no minimum wage, but the company is liable for a host of benefits and compensations, ranging from pension plan contributions to health and accident insurance.

A final factor that needs to be taken into consideration when setting up a business is tax liability. As a rule, foreign companies have a tax liability on income attributable to a Swiss permanent establishment or income from immovable property located in Switzerland, including gains on the sale of such property. Withholding tax is levied on dividends and certain kinds of interest.

Switzerland and the U.S. have had a Double Taxation Treaty and a new investment treaty has recently come into effect. Income from industrial and commercial activities is not taxed in either country unless derived from a permanent establishment in the taxing country. Switzerland taxes only those industrial and commercial profits of a U.S. permanent establishment in Switzerland attributable to in-country activities. The same deductions are allowed in determining taxable income as for a Swiss corporation.

More detailed information regarding setting up and staffing a business enterprise in Switzerland is available from the Swiss-American Chamber of Commerce, and from "doing business guides" published by such organizations as Ernst & Young and PricewaterhouseCoopers.

- Selling Factors/Techniques

New-to-market U.S. exporters are strongly urged to participate in reputable trade shows in Switzerland in order to give their products commercial exposure. Swiss buyers, agents and distributors use the trade shows as a means of finding new products to a greater extent than their U.S. counterparts. It is often more difficult to arrange personal meetings with prospective Swiss business partners if the U.S. product or company has not already expressed its commitment to the Swiss market by participating in trade fairs. Personal participation is not absolutely mandatory since catalog and video displays at

shows often garner an excellent response. Nevertheless, there is no substitute for establishing a personal rapport with ones Swiss business partner.

An exporter's offer must be accurate and comprehensive if it is to be taken seriously by the Swiss. The Swiss receive offers from all over the world and they are unlikely to devote time to requesting additional details if it is not already included. These must be provided at the outset with objective and detailed information, including exact product description with technical specifications; price details (CIF or FOB) in U.S. dollars or Swiss francs; method of payment; quantities available; packaging; and transport and delivery terms. An offer should also include information on the exporting firm; production equipment available and quality control factors; and financial references. If minimum quantities for accepting orders are part of contract negotiations, the exporter should take into account the relatively small size of the Swiss market.

The first order given to a new supplier is often viewed as a test-run with attention paid to the quality of the goods and service provided, as well as the consumer's reaction to the product. Commitments should be scrupulously observed, or the likelihood of success in the market may be seriously compromised, as word travels quickly in Switzerland. Professionals in a given market sector are in fairly close contact with one another and an exporter's actions soon become common knowledge.

Payment terms, as in the United States, are usually stipulated in the sales contract, can be negotiated, and depend upon the amounts involved. Most common terms are: payment 30-60 days net (from the date of the invoice), payment within 10-15 days with 2-3 percent discount, and payment after 30-60 days with an interest charge. Good customers may expect credit of up to three months. Except for single, one-time transactions, or first-time transactions where there is doubt about the recipient's credit-worthiness, the costly letter of credit (LC) procedure should be avoided; it is perceived as depriving the recipient of the means to make deductions for faulty products or wrong shipments.

- Advertising and Trade Promotion

Print Media: Switzerland has one of the highest densities of newspapers, on a per capita basis, in the world. This is primarily due to the variety of languages spoken and the cultural diversity. As a result, many papers are geared to particular regions or localities. The number of dailies has changed only slightly in post-war years, but circulation figures have more than doubled. There are over 100 daily or weekly local papers which are distributed for free -- supported by the advertisements and bulletins they contain.

The Swiss also publish an extensive range of periodicals, trade magazines and special interest magazines such as travel, gastronomy, medicine, environment, and hobbies.

Below some of Switzerland's major publishers are listed. As mentioned earlier, given the diversity of publications and the intrinsic characteristics of Switzerland, it is advisable to secure the services of a professional advertising firm when planning an advertising campaign.

Major Swiss Newspapers and Periodicals:

Der Bund P.O. Box CH-3001 Bern, Switzerland Tel: (41-31) 385 11 11 Fax: (41-31) 385 11 12	Type: Daily Newspaper Language: German Circulation: 64,685 Editor-in-Chief: Dr. Konrad Stamm
Berner Zeitung P.O. Box CH-3001 Bern, Switzerland Tel: (41-31) 330 31 11 Fax: (41-31) 332 77 24	Type: Daily Newspaper Language: German Circulation: 132,555 Editor-in-Chief: Andreas Z'Graggen
Basler Zeitung P.O. Box CH-4002 Basel, Switzerland Tel: (41-61) 639 11 11 Fax: (41-61) 631 15 82	Type: Daily Newspaper Language: German Circulation: 117,417 Editor-in-Chief: Hans-Peter Platz
Neue Zuercher Zeitung P.O. Box CH-8021 Zurich, Switzerland Tel: (41-1) 258 11 11 Fax: (41-1) 252 13 29	Type: Daily Newspaper Language: German Circulation: 160,335 Editor-in-Chief: Dr. Hugo Buetler
Tages-Anzeiger P.O. Box CH-8021 Zurich, Switzerland Tel: (41-1) 248 44 11 Fax: (41-1) 248 44 71	Type: Daily Newspaper Language: German Circulation: 282,222 Editor-in-Chief: Dr. Esther Girsberger
Blick P.O. Box CH-8021 Zurich, Switzerland Tel: (41-1) 259 62 62 Fax: (41-1) 262 29 76	Type: Daily Newspaper Language: German Circulation: 373,354 Editor-in-Chief: Juerg Lehmann
24Heures P.O. Box 585	Type: Daily Newspaper Language: French

CH-1001 Lausanne, Switzerland
 Tel: (41-21) 349 44 44
 Fax: (41-21) 349 41 10

Circulation: 92,605
 Editor-in-Chief: Gian Pozzy

Le Matin

P.O. Box 1095
 CH-1001 Lausanne, Switzerland
 Tel. (41-21) 349 49 49
 Fax: (41-21) 349 41 10

Type: Daily Newspaper
 Language: French
 Circulation: 54,476
 Editor-in-Chief: David Moginier

LE TEMPS

29, rte de l'Aeroport
 CH-1215 Geneva, Switzerland
 Tel: (41-22) 819 88 88
 Fax: (41-22) 819 89 89

Type: Daily Newspaper
 Language: French
 Circulation: 70,000
 Editor-in-Chief: Eric Hoesli

Tribune de Geneve

Box 434
 CH-1211 Geneva 11, Switzerland
 Tel: (41-22) 322 40 00
 Fax: (41-22) 781 01 07

Type: Daily Newspaper P.O.
 Language: French
 Circulation: 60,480
 Editor-in-Chief: Marco Cattaneo

La Liberte

P.O. Box 1056
 CH-1701 Fribourg, Switzerland
 Tel: (41-37) 86 44 11
 Fax: (41-37) 86 44 00

Type: Daily Newspaper
 Language: French
 Circulation: 35,753
 Editor-in-Chief: Jose Ribeaud

Corriere del Ticino

Ai Mulini
 CH-6933 Muzzano, Switzerland
 Tel: (41-91) 58 31 31
 Fax: (41-91) 58 29 77

Type: Daily Newspaper
 Language: Italian
 Circulation: 36,521
 Editor-in-Chief: Giancarlo Dillena

Giornale del Popolo

Via San Gottardo 50
 CH-6903 Lugano, Switzerland
 Tel: (41-91) 23 22 72-75
 Fax: (41-91) 23 28 05

Type: Daily Newspaper
 Language: Italian
 Circulation: 23,725
 Editor-in-Chief: Filippo Lombardi

Die Weltwoche

Postfach
 CH-8021 Zurich, Switzerland
 Tel: (41-1) 207 73 11
 Fax: (41-1) 202 61 27

Type: Weekly Magazine
 Language: German
 Circulation: 106,511
 Editor-in-Chief: Fredy Gsteiger

FACTS

Postfach
CH-8034 Zurich, Switzerland
Tel: (41-1) 389 33 33
Fax: (41-1) 389 33 30

Type: Weekly Magazine
Language: German
Circulation: 60,000
Editor-in-Chief: Juerg Wildberger

Sonntags-Zeitung

Postfach
CH-8021 Zurich, Switzerland
Tel: (41-1) 248 40 40
Fax: (41-1) 242 47 83

Type: Newsmagazine
Language: German
Circulation: 122,881
Editor-in-Chief: Andreas Durisch

Sonntags-Blick

Dufourstrasse 23
CH-8008 Zurich, Switzerland
Tel: (41-1) 259 62 62
Fax: (41-1) 251 80 06

Type: Newsmagazine
Language: German
Circulation: 360,477
Editor-in-Chief: Bernhard Weissberg

Schweizer Illustrierte

Dufourstrasse 23
CH-8008 Zurich, Switzerland
Tel: (41-1) 259 63 63
Fax: (41-1) 262 04 42

Type: Weekly Magazine
Language: German
Circulation: 196,265
Editor-in-Chief: Peter Rothenbuehler

Cash

Hohlstrasse 192
CH-8021 Zurich, Switzerland
Tel: (41-1) 242 80 77
Fax: (41-1) 242 90 41

Type: Weekly News
Language: German
Circulation: 50,000
Editor-in-Chief: Markus Gisler

L'Hebdo

P.O. Box 3153
CH-1005 Lausanne, Switzerland
Tel: (41-21) 320 36 11
Fax: (41-21) 320 36 17

Type: Monthly Mag.
Language: French
Circulation: 55,000
Editor-in-Chief: Ariane Dayer

Bilanz

Edenstrasse 20
CH-8021 Zurich, Switzerland
Tel: (41-1) 207 72 21
Fax: (41-1) 201 59 16

Type: Monthly Mag.
Language: German
Circulation: 70,000
Editor-in-Chief: Medard Meier

Schweizer Handels-Zeitung

Seestrasse 37
CH-8027 Zurich, Switzerland
Tel: (41-1) 201 35 55
Fax: (41-1) 202 01 26

Type: Weekly News
Language: German
Circulation: 37,025
Editor-in-Chief: Dr. K. Speck

Bilan

Av. de la Gare 33
 P.O. Box 585
 CH-1001 Lausanne, Switzerland
 Tel: (41-21) 349 48 22
 Fax: (41-21) 349 40 80

Type: Monthly Mag.
 Language: French
 Circulation: 21,528
 Editor-in-Chief: Max Mabillard

Radio and TV: The dominant player is the Swiss Broadcasting Company (SRG) which has had a monopoly in the production and broadcasting of Swiss radio and TV programs for a very long time. SRG is a private, nonprofit organization financed through compulsory listener/viewer fees. SRG owns nine radio stations; three in each of the French-, German- and Italian-language regions. In addition, there are private commercial radio stations in almost every large city and at least one in almost all of the 26 Swiss cantons. Privately-owned TV stations are not that widespread and the only two successful stations are in the cities of Zurich and Bern. An extensive cable system permits receipt of radio and TV programming from other European countries.

Unlike the U.S., but similar to the rest of Europe, Swiss TV advertising is grouped in blocks of time rather than interspersed throughout and between programs (although since April 1992, programs over 90 minutes may have one commercial break). TV advertising is subject to certain restrictions, for example, commercials for cigarettes, alcoholic beverages and pharmaceuticals are banned. There is no national radio advertising in Switzerland, although advertisement may be placed through local radio stations. The Corporation for Television Advertising (AG fuer das Werbefernsehen, Postfach 610, Giacomettistrasse 15, CH-3000 Bern 31, Switzerland; tel: (41-31) 351-2221; fax: (41-31) 351-2310) takes requests for television advertising. TV advertising prices are based on 1,000 contacts (targeted viewing audience), and vary in price from SF 20-27 (\$ 14-19) per unit of contact, according to the time of the day it is aired. Discounts are offered according to the season and the size of the contract.

- Pricing Product

In determining the selling price of a product, particularly for consumer goods, an exporter must take into account the considerable difference between the price an importer is prepared to pay and the prevailing retail selling price. The cost of distribution and the intermediaries' and retailers' margins may increase the selling price several fold. Markups in Switzerland generally range from 20 to 100 percent, but may be even higher.

Price controls, part of Swiss competition law since 1986, are primarily aimed at reducing abusive prices for goods and services resulting from a lack of competition, and apply only to members of a cartel or similar organizations subject to this law. Parliament

has established an office to look into prices that appear to be too high. "Mr. Price" has considerable informal clout (a report from him stating that a particular price is unfairly high would usually be sufficient) but he cannot also institute legal action. There are, however, some products whose prices are more directly influenced by government measures; these are primarily agricultural goods and some pharmaceutical products.

- Sales Service/Customer Support

Finding a reliable means of providing rapid and efficient quality service and after-sales customer support is absolutely essential in Switzerland. Concluding a contract is usually dependent upon the ability to provide this follow-up service. Means of accomplishing this aim include one or all of the following measures: opening one's own office in Switzerland; finding a competent agent/distributor to provide after-sales service; and/or keeping stock in a Swiss or European warehouse for rapid resupply.

- Selling to the Government

Swiss government agencies use competitive bids for procurement. In general, the Swiss comply with international rules on procurement by government entities.

Procurement at the federal level is generally limited to projects in sectors in which it has primary responsibility -- utilities, transportation, communications, defense and construction (this will, of course, change once privatization in transportation and telecommunications has taken place). Total federal government procurement averages \$6 billion annually. The Defense Ministry has some restrictions on foreign purchases (small arms, clothing and boots, telecom equipment). Many public projects are carried out by cantonal and communal governments; their procurement is about two and one-half times the federal government amount.

The federal government exercises a great deal of discretion in inviting bids, and selective, discretionary tenders are more common than public tenders. Contrary to cantonal and communal practice, federal authorities are not required to inform unsuccessful bidders of the tender accepted or reasons for the choice. In general, quality and technical criteria are more important than price. Cantons and communes usually prefer local suppliers. Foreign firms may be required to provide a Swiss bank guarantee if they have no local office or representation.

Notices of Swiss government tenders are published in the official trade journal Handelsamtblatt. Tender documents can be obtained free from the Swiss government agency. While there is no requirement to have a local agent to bid, it is advantageous when equipment needs training, service or parts.

- **Protecting Your Product From IPR Infringement**

Switzerland has one of the best regimes in the world for the protection of intellectual property, and protection is afforded equally to foreign and domestic rightsholders. This topic is discussed more thoroughly under Investment Climate section on "Protection of Property Rights".

- **Need for a Local Attorney**

Where American citizens are involved in disputes (with private individuals or business enterprises) and the controversy cannot be settled amicably, the normal recourse is to seek remedy provided by the law of the appropriate cantonal jurisdiction. American diplomatic or consular officers may not act as attorney, agent, or representative in a fiduciary capacity in such matters. If legal action is to be undertaken in Switzerland, a local lawyer should be involved (either directly or via an American attorney). There are differences in the legal systems in Switzerland and America and ignorance of those differences could jeopardize a case almost before it begins. As one example, in the United States a lawyer can serve papers on another person directly. Not in Switzerland.

An American lawyer actually commits a criminal offense if he serves a party here directly. He has to file a complaint with the court and the court then decides whether to serve or not. The Martindale-Hubbell Law Directory contains an extensive list of lawyers licensed to practice in Switzerland. The Embassy's Consular Section also maintains a list of local English-speaking lawyers. The fax number is (41-31) 357-7398. Please specify the canton for which the list is required when calling.

The only methods for a non-Swiss court or lawyer to obtain testimony or to serve process in civil matters in Switzerland, are through the Hague Convention on taking of Evidence Abroad in Civil or Commercial Matters, the Hague Convention on the Service Abroad of Judicial and Extrajudicial Documents in Civil and Commercial Matter and through a **letter rogatory**. For information on this rather cumbersome legal process, contact either the Embassy Bern Consular Section or the Office of Citizens Consular Services in the Department of State (202) 647-5226.

- Performing Due Diligence/Checking Bonafides

Sources for checking the background of Swiss companies:

Swiss Trade Register:

Whenever a Swiss company reaches annual sales of SF 100,000 it must be listed in the Swiss Trade Register. The purpose of the Swiss Trade Register is to provide a list of all business enterprises in Switzerland. It provides the following information about a company:

- name of firm
- its legal form
- head office (legal domicile)
- list of branch offices, purpose
- owners, partners, managing directors
- persons having power of attorney
- number of shareholders
- year of inscription

Any firm listed in the Swiss Trade Register is considered to be a legitimate company and is required to keep accounts and to maintain a balance sheet. However, the register does not say anything about the financial status and the business practices of the company listed. The Swiss Trade Register is published annually by the following publisher:

Orell Füssli Verlag
Dietzingerstrasse 3
CH-8036 Zurich
Tel: (41-1) 466 74 45
Fax: (41-1) 466 74 12.

Kompass:

Register of Industry and Commerce of Switzerland. The Kompass Register is roughly equivalent to the American Thomas Register. It lists most of the Swiss companies, but not all. The information presented in the Kompass has been provided by the companies listed. It gives complete contact address, bank reference, name of president, members of the Board and managing director, short description of company's activity, trademarks, share capital, number of employees, year of establishment. The Kompass is published by:

Kompass Schweiz Verlag AG
Zurich-Gockhausen
In Grosswiesen 14
P.O. Box
CH-8044 Zurich
Tel: (41-1) 802 25 55
Fax: (41-1) 802 25 66

If more detailed information is needed, such as financial data and

reputation of a company, it is probably best to contact a credit reporting agency. A reliable source for credit reports in Switzerland is:

D&B Novinform AG
In der Luberzen 1
CH-8902 Urdorf
Tel: (41-1) 735 61 11
Fax: (41-1) 735 65 84

There are several Swiss companies who offer credit reports, but D&B Novinform is the largest (D&B merged with the Swiss credit reporting firm Novinform about 2 years ago). It should also be noted that extensive information on Swiss companies can be accessed from Dun & Bradstreet in the United States directly (on-line information).

V. LEADING SECTORS FOR U.S. EXPORTS AND INVESTMENT

- Best Prospects for Non-Agricultural Goods and Services

<u>Rank</u>	<u>Name of Sector Opportunity/Best Prospect</u>	<u>Code</u>
1	Computer Software	CSF
2	Computers and Peripherals	CPT
3	Travel and Tourism Services	TRA
4	Telecommunication Services	TES
5	Drugs and Pharmaceuticals	DRG
6	Telecommunications Equipment	TEL
7	Sporting Goods	SPT
8	Analytical Process Control Instruments	PCI
9	Medical Equipment	MED
10	Renewable Energy Equipment	REQ
11	Pollution Control Equipment	POL
12	Airport Services	AIR
13	Aircraft and Parts	AIR

1 - COMPUTER SOFTWARE (CSF)

U.S. software enjoys an outstanding reputation in Switzerland. Software solutions which aim at increasing productivity, automating transaction processing, and labor-saving operations are in great demand. Desktop, personal computer, portable computer, and data communication applications are very popular. There are currently close to 4 million computers in Switzerland, of which about 80 % are PCs (personal computers, workstations and desktop models).

Switzerland's mechanical engineering, chemical and precision instrument industries, as well as the service sectors (tourism, banking and insurance) rely heavily on effective software solutions. Only through adequate systems and software will they

be able to maintain, and possibly increase, their productivity and competitive edge overseas.

Multitasking, groupware, multimedia, word processing and office, desktop publishing, presentation, electronic mail, CAD/CAM/CAL and related engineering software applications, including graphic user interface software products in general, are among those packages or custom solutions which are in great demand.

Most of the PC's used in Switzerland come with, or are interfaced with, a server with CD or DVD drives. It is, therefore, advantageous to package mass software on CD-ROMs. CD-ROMs have made a rapid entry in both the commercial and consumer segments of the market in the last two years. In mobile and notebook systems, PCMCIA cards have become the standard.

In brief, U.S. suppliers of software should find a ready, albeit demanding, market in Switzerland.

DATA TABLE (in U.S. \$ millions)

	1997	1998	1999
A) Total Market Size	4,278	4,582	5,020
B) Total Local Production	1,813	1,850	1,877
C) Total Exports	512	548	630
D) Total Imports	2,977	3,280	3,773
E) Imports from U.S.	1,729	1,903	2,185
Exchange Rates Used: \$ = SF	1.4	1.4	1.4

NOTE: The above statistics are unofficial estimates.

2 - COMPUTERS & PERIPHERALS (CPT)

Switzerland is one of the most computerized countries in the world. It spent \$ 13 billion on information and communication technology in 1998 and an 8 % growth is anticipated for 1999. Despite its relatively small size, it is seen as an attractive, highly-developed and competitive test market for Europe. This level of computerization is in part due to the presence of sophisticated industries and an active business and service sector. These groups rely heavily on computers to reduce labor costs and to compete effectively in the international market. Switzerland is also a host to a number of international organizations such as the U.N., and regional or world headquarters of multinational corporations. These in turn create a demand for the latest in computer and communications technology.

The total number of computers in Switzerland is close to 4 million units, of which around 3,2 million are PCs. Market observers report that 980,000 units will be purchased this year, either as new installations or to replace less powerful or outdated models

(the latter figure includes mobile or laptop/notebook computers).

The clear market leader in the PC/Server business is Compaq computer with a market share of approx. 27 %, followed by IBM with 9 % and Dell with 8.5 %.

In the server market the trend to NT servers continues with a growth rate of 42 % from 1997 to 1998. The overall growth in that specific market was only 14 % in the same time period.

The two market segments with the most growth are LAN hardware (14 % increase from 1997 to 1998) and data communications hardware (12.5 % increase from 1997 to 1998).

Since 1990, the consumer and home market for personal computers has boomed. Good opportunities also exist in laptop and notebook computers as well as desktop equipment and computer peripherals. Demand for midrange computers is rising modestly in a sector which is often viewed as on the decline. There is considerable demand for network systems and data communications in organizations which operate integrated information systems. Swiss industry, engineers and architects are keen users of CAD/CAM/CIM and similar computers and workstations. The academic, business, financial and insurance sectors also afford growth prospects.

Market observers believe that, while prices are likely to stay at the same level (approx. \$ 2400), market share and imports from the U.S. will increase on an average of 5 percent in the next two years. This will depend on the requirements of Switzerland's banking, business, and engineering sectors and to a lesser extent, the industrial automation sector. U.S. suppliers are well-introduced and enjoy a good reputation in the liberal, rich and demanding Swiss market.

DATA TABLE (in U.S. \$ millions)

	1997	1998	1999
A) Total Market Size	3,280	3,472	3,728
B) Total Local Production	429	437	450
C) Total Exports	84	82	81
D) Total Imports	2,935	3,117	3,359
E) Imports from U.S.	1,679	1,846	2,010
Exchange Rates Used: \$ = SF	1.4	1.4	1.4

NOTE: The above statistics are unofficial estimates.

3 - TRAVEL & TOURISM SERVICES (TRA)

Swiss tourism to the US remains the "top US export" to Switzerland. As opposed to many other markets, Switzerland's tourism has again demonstrated a remarkable resistance to currency fluctuations. Swiss travel, in spite of an "expensive" dollar (+

10%), grew again by 0.7 percent over 1997. The 412,000 Swiss generated revenues in 1998 in the US of about 1.45 billion dollars. Low airfares and new direct flights continued to make the US easily accessible. Flights to major European cities are in fact not much more expensive than a round trip ticket to New York or Chicago. The number of short trips to American cities has increased substantially as a result. Swissair, in conjunction with Delta Air Lines, currently offers 18 direct flights to the U.S. Miami will be opened-up in September 1999 and further cities are being considered. Competition among the air carriers is fierce. Continental Airlines took up direct service between Zurich and Newark in early June 1999. Off-line carriers such as the Star Alliance and British Airlines in particular have managed to attract some 15 percent of Swiss travel to the U.S. using their hubs in Frankfurt and London. Shorter and more frequent trips are the trend, particularly to major cities with a broad program of cultural events. The West Coast, as well as the Southwestern states, still ranks at the top of the favorite destinations. Florida also attracts scores of sun-hungry vacationers taking advantage of the weekly direct charter operated by Swissair partner Balair to Ft. Myers. Swiss tourists typically like to venture beyond the cities and into the countryside. Small businesses (outfitters, motels, etc.) in many Southern- and Northwestern states rank Swiss visitors second among their foreign clients. Swiss campers also hold the second position after Germany on KOA's (Kampgrounds of America) list of foreign customers.

Swiss are particularly welcome in the American tourist industry due to their high disposable incomes. Shopping has for years been a lucrative by-product of a U.S. vacation, particularly for sporting goods (golfing, tennis, shoes, apparel, physical fitness equipment), clothing (designer brands), electronics (laptop computers, software, games), musical instruments and even automobiles.

Competing destinations, in particular Australia and Asian countries, are making headway. Australia is cultivating its image as an alternative to the "mass destination" U.S.A. It is why new and attractive niche tourist products must be developed in the U.S. Cost is less an issue than originality and quality for a significant number of Swiss tourists. As the Swiss economy picked up, unemployment in Switzerland fell to less than 3 percent. The Swiss travel trade per se is undergoing major restructuring as a result of mergers and acquisitions. Margins are thin and competition is stiff. Specialization and service is the "order of the day" in this mature, but affluent and attractive market

DATA TABLE (in U.S. \$ millions)

	1997	1998	1999
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A) Total Market Size (Swiss outbound travel)	7,870	7,910	8,100
B) Total Local Production	N/A	N/A	N/A
C) Total Exports	N/A	N/A	N/A
D) Total Imports	N/A	N/A	N/A
E) Imports from the U.S. (Swiss money spent in the US)	1,300	1,380	1,450
Exchange Rates Used: 1 Dollar = 1.4 SF			

NOTE: The above statistics are derived from official data obtained from the US Dept. of Commerce, the Swiss Federal Statistical Office, the leading tour operator, the national flag carrier SWISSAIR and the Tourism Institute of the St. Gallen School of Management and Business Administration.

4 - TELECOMMUNICATIONS SERVICES (TES)

Switzerland's industry, service and business sectors rely heavily on fast, efficient telecom services with the United States. More than 600 U.S. companies maintain international European headquarters or subsidiaries in Switzerland. A similar number of Swiss companies operate in the United States. This high level of cross investment illustrates the developed nature of transatlantic communications.

In addition to voice, electronic mail, teleconferencing, the leased line business, data transmission, voice and image compression, frame relay, virtual private networks, outsourcing, mobile and radio services are areas of opportunity for U.S. operators and suppliers. Internet services, groupware software and private operator networks are other driving forces in this sector.

The Swiss market has been reshuffled by the liberalization of 1998. Over 40 new carriers are now competing with Swisscom in all areas of telecommunication services. The high growth potential in mobile communications, Cable TV services, switched data and leased lines lend this market a high attractiveness for U.S. suppliers.

Swisscom tries to keep a firm grip on the most profitable sectors of growth - such as mobile communications, voice transmission, closed user groups, and large business accounts; value-added services, including private virtual networks; design and operation (with partners Cisco, Siemens, Alcatel, Ascom/Ericsson) of the ATM and SHD network.

Other U.S. carriers such as MCI/Worldcom, Sprint-Global One are well established in Switzerland, as are foreign operators, such as British Telecom, France Telecom, Tele Denmark and Orange Communications.

There is a growing demand for value-added services, but these services are subject to a very competitive environment. This growth is expected both on the part of the business sector with larger accounts, and amongst smaller users and the mass market. U.S. callback service companies have recruited a great number of international customers in Switzerland. The introduction of telephone cards by businesses such as AT&T, MCI, Sprint-Global One has prompted the Swiss PTT Telecom to introduce its own Telecom card to Swiss-based subscribers and international travelers.

The International Telecommunication Union, which is based in Geneva, is a very important facilitator in world telecommunications. It issues standard recommendations, organizes important conferences and trade events such as the quadrennial Telecom exhibition (held again in Geneva from October 10 - 17, 1999) and is a forum for multinational debates.

DATA TABLE (in U.S. \$ millions)

	1997	1998	1999
A) Total Market Size	5,474	5,900	6,265
B) Total Local Production	4,361	4,512	4,810
C) Total Exports	623	648	675
D) Total Imports	1,736	2,036	2,130
E) Imports from the U.S.	518	572	640
Exchange Rates Used: \$ = SF	1.4	1.4	1.4

NOTE: The above statistics are unofficial estimates.

5 - DRUGS AND PHARMACEUTICALS (DRG)

Switzerland's attractive 4.1 billion dollar pharmaceutical market is undergoing major changes. Its regulated structure is slowly being replaced by a much more open and competitive environment. The new Swiss law on cartels which came into effect on July 1, 1996 was the first step in this direction. It is expected to eventually lower prices by 30 percent on certain medications. The industry, as well as the market, is demanding more efficient and less time consuming licensing and approval procedures. As a result, the Swiss Federal Health Office, the IKS (Interkantonale Kontrollstelle fuer Medikamente), the main approving agency and the Federal Office for Social Insurance, are under scrutiny. Generics, which now hold a market share of 2-3 percent will find a ready market.

The powerful Swiss pharmaceuticals manufacturers are one of the keystones of this country's economy. Names like Hoffman LaRoche and Novartis (formerly CIBA GEIGY and Sandoz) require no introduction. About 38 percent of the local market needs, worth 1.5 billion dollars, are covered by domestic manufacturers.

The total market grew by 6 percent in 1998 compared to 1997. Prescribed medication accounted for 2.4 billion dollars out of a total of 4.1 billion. Prescription-free products, sold by pharmacies, drugstores and self-dispensing hospitals, accounted for over 1 billion dollars. So called natural and homeopathic preparations are particularly popular for self-medication. The U.S. currently holds a market share of 20.9 percent, compared to 33.4 percent controlled by Novartis and Hoffman LaRoche.

DATA TABLE (in millions of U.S. dollars)

	1997	1998 Est.	1999 Est.
A) Total Market Size	2,444	3,969	4,116
B) Total Local Production	13,072	14,600	14,800
C) Total Exports	12,396	12,451	12,470
D) Total Imports	1,768	1,820	1,892
E) Imports from the U.S.	610	670	737
Exchange Rates Used: \$ = SF	1.4	1.4	1.4

Note: The above statistics are unofficial statistics.

6 - TELECOMMUNICATIONS EQUIPMENT (TEL)

Switzerland has one of the highest levels of per capita investment in telecom in Europe. Investment in telecom is important to the Swiss if their sophisticated industry, business, tourism and service sectors (including banks and insurance companies) are to operate effectively and competitively on a global level. Switzerland will continue to modernize its public networks in ISDN (integrated services, digital networks), broad band communications, and mobile systems. New entrants in the liberalized telecom market continue to expand their core infrastructure considerably - relying on the latest fiber optic technology.

Swisscom lost its monopolistic control over the market as of January 1, 1998. However, it will remain the largest service provider for years to come. Likewise, the value-added service sector (in data communications and transmission; and in pre-approved, closed user groups for voice) and the interconnect and customer premise equipment market have already been deregulated and are part of the free market system.

Mobile communications have been the boom segment of the industry. Swisscom, diAx and Orange have introduced the digital GSM system using the 1800 MHZ bandwidth, in addition to the GSM 900. The Nordic analog Natel C system will gradually be phased out by the year 2001. At the same time, the Swiss Federal Office of Communications is preparing to offer licenses in 3rd generation wireless systems during the year 2000.

In general, present trends are expected to be favorable for foreign and U.S. suppliers. Companies selling equipment and services (according to European/ETSI specifications) that meet the needs of affluent but demanding business, industrial, and private sector clients will fare well. Opportunities are especially good for U.S. mobile communication systems, wireless local loop systems, network equipment, cable and ISDN modems, interfaces, fiber optic systems, teleconferencing equipment, microwave equipment and supplies. The dominant role Swisscom still plays, and will continue to play, makes it a potentially important partner for U.S. firms.

DATA TABLE (in U.S. \$ millions)

	1997	1998	1999
A) Total Market Size	1,209	1,315	1,425
B) Total Local Production	518	521	525
C) Total Exports	162	167	170
D) Total Imports	853	961	1070
E) Imports from U.S.	329	345	363
Exchange Rates Used: \$ = SF	1.4	1.4	1.4

NOTE: The above statistics are unofficial estimates

7 - SPORTING GOODS (SPT)

The Swiss sporting goods market, summer and winter sporting goods and sportswear but excluding bikes, accounted for approximately SF. 1.8 billion, (\$ 1.2 billion), according to the Swiss sports retailer association.

At the end of 1998, Switzerland counted 1700 sales points. 1,215 specialty sports and trend shops achieved a turnover of about SF. 980 million (\$ 655 million). The 485 other sales points, such as department stores, supermarkets, shoe shops etc. had a turnover of SF. 820 (\$ 545 million).

The 1998 sales space for sporting goods grew more than the sales themselves. Many supermarkets and department stores added new sales space for sporting goods, pursuing an aggressive price strategy. In addition new distribution forms such as e-commerce and outlet factories are entering the market (there are now three outlets in Rümlang, Villeneuve and Mendrisio). Given these facts, they will probably lead to a restructuring of the Swiss distribution channels.

Winter sporting goods reached 56 % of the total sales, whereas summer sporting goods had a share of 44 %. Given the country's mountainous terrain and excellent resort facilities, winter sports are particularly favored.

Despite the early snowfall, the winter season 1998/99 ended with only a small sales increase of about 1 %. This was due to heavy snowstorms in February which cut off many ski resorts and caused a total collapse of the ski- and board renting business. The slight sales increase is thanks to the still booming carving skis and snowboards. Sales of cross country skis and ice hockey equipment again decreased slightly.

The summer sporting goods industry reported a decrease for in-line skates sales due to saturation of the market, as well as a decrease in tennis racket sales. However, the sales of summer sportswear has slightly increased. There has been a growing tendency to move away from specialty sportswear to more leisure sportswear which can be used for all kinds of sports activities. Another very promising area for the summer sporting goods industry is golf. An important reason for the growing popularity of golf is the increasing availability of public golf courses where beginners can get a first impression without major expenditures.

U.S. sporting goods equipment is generally well received in Switzerland and well respected for its quality, although there is strong third country competition from Austria, Germany and France.

Domestic production is very small. Since the perception is that most trends and fads originate in the U.S., (e.g. snowboards, carving skis), Swiss distributors show a strong interest in the traditional U.S. pavilion at the spring and fall ISPO exhibition in Munich, Germany.

In million U.S. \$ at retail prices:

	1998	1999	2000
A) Total Market Size	1284	1337	1391
B) Total Local Production	64	66	70
C) Total Imports	1707	1774	1835
D) Total Exports	487	503	514
E) Imports from the U.S.	109	112	116
Exchange Rates Used: \$ = SF	1.4	1.4	1.4

NOTE: Above statistics are unofficial estimates (from Schweizer Sport and Mode)

8 - ANALYTICAL PROCESS CONTROL INSTRUMENTS (PCI)

Analytical industrial process control instrumentation is used in industrial plants as well as in pollution control (e.g. sewage treatment plants). A clear separation is not possible as most manufacturers and importer/distributors cover both markets. The focus of this report is on the industrial sector.

Switzerland's significant chemicals, pharmaceuticals and food industries (e.g., Novartis, Hoffmann-La Roche, Nestle, Clariant, CIBA Spezialitätenchemie, Alusuisse-Lonza etc.) provide the basis for a demanding, attractive analytical process control instruments market. It includes a multitude of well-equipped, small and medium-sized food, chemical and pharmaceutical subcontractors many with proprietary products. The market is, in every respect, state-of-the-art and highly competitive. Substantial investments are made in process automation to cope with high manufacturing costs. Manufacturers continue to focus their local (Swiss) production on high value-added fine chemicals and substances requiring ever more complex equipment and processes. Cheaper and mass-products are made abroad. Investment budgets saw an increase in 1997 and continued their growth in 1998. Previous budget cuts are still being felt in specific areas. However, the backlog requirements for up-dating and modernizing equipment are not pressing. In fact, the backlog is being used as an opportunity to introduce even more efficient technologies and bring the facilities up to the latest standards. Novartis alone is spending some 100 million dollars on analytical process control instrumentation per annum in its Swiss plants. The painful effects of the Novartis merger and the following consolidation has been "digested" in the meantime and demand for instruments has again picked-up. Importers and local manufacturers of instrumentation, as a result, sound confident in their forecasts for the coming years. The leading pharmaceuticals and chemicals industry (as well as the high standards) provide an ideal test market, a market that is both demanding and transparent. Virtually all manufacturers of some significance worldwide maintain subsidiaries in Switzerland or are well represented. Japanese producers have a reputation of

using the Swiss market for this purpose. The sound base of U.S. suppliers has somewhat eroded due to local competition. The pressure is felt particularly in the fields of inductive flow meters, liquid level instruments, spectrometric analyzers, pH, conductivity and similar instruments. German exporters are among the main players. They take advantage of their proximity and the fact that they have an excellent knowledge of the market not to mention the language.

DATA TABLE (in U.S. \$ millions)

	1997	1998	1999
A) Market Size	270	279	285
B) Total Local Production	253	269	280
C) Total Exports	131	140	155
D) Total Imports	148	150	160
E) Imports from the U.S.	42	45	48
Exchange Rates Used: \$ = SF	1.4	1.4	1.4

NOTE: The above statistics are unofficial estimates based on information obtained from the, Pharma-Info, the trade magazines Chemische Rundschau, Laborflash, as well as Endress & Hauser AG and Dr. Ing. Kundert AG/Fisher & Porter (Consulting engineers and importers of instrumentation) and Novartis (EMSRT Div.)

9 - MEDICAL EQUIPMENT (MED)

Switzerland maintains one of the best health care systems in the world. The dispersed nature of its health care system, which follows the pattern of its federal structure with 26 autonomous districts, contributes to the diversity of the market. U.S. equipment and supplies enjoy a good reputation. Many Swiss doctors and professors of medicine have been trained or have practiced in the United States. Interchange in procedures and techniques is considerable between the countries. These factors create a strong demand for U.S. equipment and devices. The soaring health care costs have also created a strong demand for home health care and outpatient devices and services -- a field in which U.S. suppliers, operating in a domestic mass market with volume production, have a marked lead and sometimes a price advantage over European competitors. In addition, Switzerland often serves as a test market for advanced medical equipment in Europe. Experiences gathered in selling medical equipment in this multilingual and educated marketplace can be translated into successes in Germany, France, Italy, Austria and other European countries.

The High Cost of Medical Care

Health care costs in Switzerland have reached very high levels. A recent study revealed that Switzerland has a yearly tab of 2,600 Swiss Francs (\$1,820) per capita. This is second only to the United States where the per capita tab is SF 3,900. Unless the health system in Switzerland is significantly changed, the annual expenditures will rise from today's SF 38 billion to about SF 50 billion (\$ 27 and 35.7 billion) by the year 2005. A considerable reduction in hospital beds is one means of containing costs and preventing this SF 50 billion figure from becoming reality. The current discussion has centered on a proposal to reduce the number of beds by approximately 6000.

High Tech Products the Best American Strategy

The average Swiss still expects that hospitals should have the latest technology and, therefore, U.S.-made products that are on the cutting-edge of technology will still have great potential. But with a clear trend to reduce hospital beds and to close down some hospitals altogether, American companies that are interested in hospital construction or in the sale of "routine" hospital equipment and supplies may find their prospects reduced over the near term.

DATA TABLE (in U.S. \$ millions)

	1997	1998 Est.	1999 Est.
A) Total Market Size	816	835	847
B) Total Local Production	1,005	1,025	1,041
C) Total Exports	755	765	794
D) Total Imports	566	575	584
E) Imports from U.S.	117	120	122
Exchange Rates Used: \$ = SF	1.4	1.4	1.4

Note: The above statistics are unofficial estimates.

10- RENEWABLE ENERGY EQUIPMENT (REQ)

The promotion of renewable energy sources and technologies is a top priority in Switzerland. The draft of the proposed ecological tax on non-renewable energies was submitted to parliament in May 1999. It is expected, if introduced, to result in some \$ 750 million which will be used for promoting the use of renewable energy and pertinent equipment. Renewable energy, besides having a significant environmental component, is considered an answer to the country's future energy needs. Switzerland's sources of hydroelectric energy are almost fully exploited. The five nuclear power plants, in addition, covering 40 percent of the Swiss electric power consumption, will be at the end of their life

cycles in about 20 years. This explains why the Federal Government has been promoting energy efficiency and renewable energy with a \$ 200 million a year program known as "Energy 2000". Parliament has now approved a 10 year follow-up program providing \$ 250 million annually for the same purpose. The primary goal, to cover 3.5 percent of the country's energy consumption with renewable energy by the year 2000, will probably be reached. It equals some 3.5 million KWH.

The U.S. is considered an interesting potential supplier for renewable energy generating systems and/or pertinent technology. It was in fact the American manufacturer Cannon which triggered the installation of the first wind-powered electrical generating pilot plant in the Swiss Jura mountains. Cannon, unfortunately, pulled out when the first pilot plant was downsized leaving the field to the Danish Vestas company. The three units 1.8 MW pilot plant has just been expanded by 2 larger one MW units. A two year study financed by the Swiss Department of Energy (Mr. Horvaty) found that some 1,500 wind turbines could be installed at about 400 sites taking into account wind and "esthetic" considerations. The main challenge for renewable electrical energy will come from the market liberalization. It will make the price difference of "traditional" electrical power as opposed to renewable energy even more visible. Part of the answer to this price difference, may be the growing success of products made by means of environmentally friendly processes (incl. energy). The power output of the next two years has already been purchased by companies specialized in "green marketing".

Photovoltaic electric energy still costs a prohibitive 75 cents per KWH. Although significant progress was made in thin layer PV, the Swiss expert Prof. Jeanneret of Neuchatel University figures that another 30 years will be needed before photovoltaic power generation will become commercially viable north of the Alps. Interestingly enough, private individuals as well as companies keep investing. Switzerland, against all odds, produces over 1 MW of photovoltaic electricity out of a total 73 MW that is produced worldwide.

Heat pumps have been selling very well in the past few years. Specialized local companies offering service (system planning, installation, maintenance etc.) are constantly on the look-out for cost effective new heat pumps. U.S. manufacturers with many years of experience in this field are believed to have interesting products and technology to offer the Swiss.

Competition to U.S. manufacturers comes primarily from local and German firms, both of whom are actively trying to cater to this emerging market. The Swiss R&D effort may be described as significant to say the least. Swiss and German manufacturers can draw from their powerful industrial base and their tradition in power generation and distribution. As neighbors, the Germans are

well acquainted with the Swiss market. Major German power generating companies have recently acquired significant minority holdings in three important Swiss firms (BKW; NOK; Elektrowatt). Swiss electrical power companies are actively involved in the Energy 2000 as well as the even more important follow-up program beginning in 2001. American manufacturers are welcome to join with pertinent Swiss partners as has been done by other foreign companies.

DATA TABLE (in U.S. \$ millions)

	1997	1998	1999
A) Total Market Size	752	759	780
B) Total Local Production	655	670	675
C) Total Exports	110	123	130
D) Total Imports	207	212	235
E) Imports from the U.S.	21	21	23
Exchange Rates Used: \$ = SF	1.4	1.4	1.4

NOTE: The above statistics are unofficial estimates compiled with the assistance of JUVENT (company operating wind powered generating plant) Swissolar Association, Renewable Energy Dept. of Swiss Fed. Dept. of the Energy and PSI (Paul Scherrer Institute, Würenlingen).

11 - POLLUTION CONTROL EQUIPMENT (POL)

The protection of the environment remains a high priority of the Swiss daily economic and political agenda. Switzerland, with per capita expenditures of SF 590(\$ 405), ranks worldwide at the top of pollution control related investments. The July 1, 1997 pollution control law is subject to permanent up-dates. Standards are adapted by means of decrees depending upon results obtained by monitoring and making use of the latest technologies. The introduction of the "pollutors pay principle" has allowed the taxing of trade, industry and private households for the waste they produce. Household waste has been reduced by about one-third as a result. Taxes will be levied also on wastewater in the course of 1999, partly as federal subsidies for sewage treatment plants will be abolished. Sewage treatment plants, in particular, have been subject to a countrywide updating program. Smaller plants were consolidated and integrated with larger, better equipped facilities. Virtually all plants include mechanical, biological and chemical water treatment as standard. They feature computer controlled process control and monitoring instrumentation covering parameters such as flow, O₂, pH, turbidity, temperature, conductivity, nitrates, ammonia and (where applicable) TOC and/or TOD. Large plants, in addition, are all equipped with their own, modern control laboratories. The updating program is nearing completion and will probably be concluded in about one year's time. The market will then mostly consist of replacements.

Air pollution control remains the "headache" of Switzerland's pollution control effort. The set goals are hardly compatible with the ever increasing number of cars which is considered the main source of air pollution. The main polluting parameters which are targeted are NOX, VOC,s and O3. Traffic-related pollution stands in sharp contrast to progress made in the field of heating which has yielded a 70 percent reduction in SO2. The systematic enforcement of tight standards and the ban of sulfur in fossil fuels has proven to be successful. The positive effects of the mandatory catalytic converters in motor cars have been offset by the increased traffic. Financial incentives, in particular a so-called "eco-tax", are now under consideration. A pertinent proposal went to parliament in May 1999. The ecological tax will, if introduced, be applied on all energies including electric power, heating, car and aircraft fuel as well as natural gas. It is expected to generate some \$ 750 million, which will be used to promote the use of energy efficient equipment and technologies. Monitoring will be tightened and spot checks on installations further intensified.

So-called garbage dumps or land-fills will not be allowed as of January 2000. The same is true for the exportation of waste, a particularly "handy way" to get rid of hazardous waste. Demolition waste produced by the construction industry is the main target. Due to its content of paint and other chemical products, it has been classified as "hazardous". The presently existing over capacity of the 21 Swiss co-generating plants is expected to be able to handle this additional volume of waste. The market for waste incinerating and co-generating plants is saturated. Only one facility (Thun "fluidized bed" process) is still under discussion.

However, the chances of its being realized are slim. Some 5-7 existing plants will need to be rebuilt as of the year 2003/4 as many older facilities are reaching the end of their life cycles. The focus is now on more "exotic processes" of some value. An example is the recycling of shredded automobile waste, particularly high quality plastics and other synthetic materials. Three recycling facilities are still in planning at a cost of about \$ 50 million per unit. US&FCS Bern is working with the US manufacturers GTS Duratek, Seiler Pollution Control and Molten Metals Inc. on these projects. Recycling and other non-destructive technologies do have a high priority. US composting systems were successfully introduced at a new composting plant near the country's capital Bern. The Swiss EPA (BUWAL) is most open to novel technologies and happy to evaluate serious proposals.

The production of energy is a major source of pollution. Considerable resources are devoted to the development of so-called clean energies. The first 1.8 MW wind powered pilot plant has just be completed with two further 1 MW units, in consequence of the promising results. A study estimated that the potential number of wind turbines that could be installed in Switzerland at some 1,600 units. Technology to make use of methane gas from landfills

and sewage treatment plants is also being promoted.

The Swiss pollution control market as a whole is very competitive and demanding. Switzerland is home to some 160 state-of-the-art environmental engineering companies and manufacturers. They export over two-thirds of their products and services worldwide. U.S. manufacturers hold a good position in the field of analytical laboratory and process control instrumentation. They are also considered to be potential suppliers of leading edge recycling technologies. Third country competition is aggressive with German firms being by far the leading foreign contenders. U.S. companies should, particularly in the fields of consulting and engineering (and for capital equipment) seek partnerships with local consortia (team building).

DATA TABLE (in U.S. \$ millions)

	1997	1998	1999
A) Total Market Size	2,010	2,175	2,100
B) Total Local Production	2,020	2,175	2,250
C) Total Exports	1,015	1,087	1,215
D) Total Imports	1,005	1,087	1,065
E) Imports from the U.S.	114	135	130
Exchange rate used: \$ = SF	1.4	1.4	1.4

NOTE: The above statistics are unofficial estimates based on information obtained from BUWAL, IMETH AG, Endress & Hauser AG, Metrohm AG and Fisher & Porter. Swiss manufacturers are successfully marketing and exporting their technology to the US, Middle East and Asia. An estimated 11% of the imported instruments are re-exported integrated in locally assembled systems.

12 - Airport Services (AIR)

Switzerland, with a total population of 7.2 million, maintains two international airports of significant size, namely the Zurich International Airport and the Geneva International Airport. The third largest airport is the EuroAirport Basel-Mulhouse-Freiburg, a bi-national airdrome, jointly operated and administered by Swiss and French authorities on French soil, concurrently serving EU and EFTA countries. Aside from these three hubs, Switzerland has two smaller regional airports as well as a host of smaller airports/airfields scattered around the country.

In 1998, the Zurich International Airport, by far Switzerland's largest hub, registered a passenger yield of 19.3 million, followed by the Geneva International Airport with 6.5 million and the EuroAirport with 3 million travelers. All of these three airports are currently involved in upgrading/enlarging their infrastructure in order to absorb the steadily rising passenger

volume expected in the years hence.

In September 1995 the Swiss Federal Council mandated that Swisscontrol, formerly known as Radio-Swiss Ltd., become a financially independent entity. This went into effect in January 1996. Swisscontrol, a quasi-government establishment of which the Federal Government holds a majority share of 99 percent, provides air navigation services for the Swiss Confederation. Swisscontrol is tasked with providing for the safe and efficient handling of air traffic at Switzerland's two major international airports Zurich and Geneva, as well as at the two smaller airports, Bern-Belp and Lugano-Agno, which are predominantly involved in domestic flights with some flights to nearby European countries. It also has responsibility for the supervision and control of traffic in the airways over Switzerland and, in parts, airspace over neighboring countries over which Switzerland has jurisdiction. Air traffic activities at Switzerland's third largest airport, the EuroAirport, Basel-Mulhouse-Freiburg are administered by French air traffic controllers. Swisscontrol operates the existing countrywide systems and is charged with the procurement of pertinent hardware such as radars, flight plan data processing equipment and software, tower voice communication systems etc.

The Board of Directors of Swisscontrol announced in September 1998 the relocation of Swisscontrol's headquarters from the Swiss capital in Bern to Geneva. Besides setting up the headquarters in Geneva, there are services that have been targeted which will also be moved to the western part of Switzerland. They include the Area Control Center for the airspace exceeding the 9,000-meter mark (29,500 feet), the air traffic control tower, as well as services providing basic technical support. Zurich operations will continue to enjoy a great deal of autonomy by monitoring its air traffic activities that fall within a 150 kilometer (94 miles) radius as well as airspace of up to 9,000 meters (29,500 feet).

SAirGroup was formed in 1996 with four independent units -- namely SAirLines, SAirServices, SAirLogistics and SAirRelations. All flying activities, whether aboard a Swissair, Crossair or Balair/CTA aircraft, fall under the SAirLines division, while aircraft overhaul/maintenance and ground handling are part of the SAirServices division. SAirLogistics has the responsibility for the marketing, sale, handling and warehousing of cargo, and SAirRelations focuses upon hotel trade issues, travel retail business and gastronomy.

1998 KEY FIGURES OF SWITZERLAND'S THREE LARGEST AIRPORTS AT A GLANCE:

	Basel	Geneva	Zurich

- Passenger turnover:	3,044,786	6,490,968	19,326,589
- Change over previous year:	+13%	+5.1%	+ 4.1%
- Movements (take-offs and landings):	117,046	151,517	287,885
- Change over previous Year:	+2.8%	+1.4%	+4%
- Cargo (in tons):	118,211	61,603	494,528
- Revenues (million):	\$ 236.5	\$ 110.5	\$ 380.3
- Surplus (million):	\$ 1.3	\$ 12.6	

13 - AIRCRAFT & PARTS (AIR)

The Swiss aircraft and parts market is supplied by a handful of world-renowned suppliers of aircraft, engines and parts. This is in alignment with the modest number of end-users e.g. carriers for airborne transport. Despite a more complex political environment, imports of aircraft parts and components are expected to show an increase in the forthcoming years due to enlargement of the Swissair and Crossair aircraft fleets to meet market demand.

Prior to the introduction of A310-200 airplanes to the Swiss flagship carrier Swissair in the early eighties, Swissair had a long history of predominantly procuring airliners from Boeing of the DC-9 and DC-10 families. The initial Airbus acquisitions (A310-200) were superseded by airplanes of the A320 and A330 makes, while the Boeing contingent was replaced with airplanes manufactured by McDonnell Douglas (MD-11).

By year's end of 1999, the Swiss national flagship carrier, Swissair, is expected to have an operating fleet of 74 aircraft, of which 21 airliners from Boeing/McDonnell Douglas (Boeing 747: 2 and MD-11: 19) and 53 units from Airbus Industries (A319-100: 9; A320-214: 20; A321-111: 10; and A330-200: 14). Airliners, which are on order, encompass four units of the A330-200 and nine units of the A340-600. According to current planning schemes however, Swissair's fleet will, by the year 2006, exclusively encompass airliners manufactured by the Airbus Consortium, thereby eclipsing the U.S. aircraft maker Boeing/McDonnell Douglas. The sinister outlook for U.S. aircraft manufacturing industry notwithstanding, both suppliers are highly regarded by the SAirGroup, the parent company of SAirLines, which comprises the following providers of airborne transport: Swissair, Crossair and Balair/CTA Leisure Ltd. These three domestic airlines have also gained the strongest foothold on the Swiss market. Balair/CTA, Leisure Ltd., formerly known as Balair/CTA, is Swissair's affiliated provider of long-haul charter flights and maintains a small fleet of two A310s. These two airliners will at the end of 1999 be replaced with two Boeing 767-300.

A fully-owned subsidiary of the SAirGroup named Flightlease Ltd., headquartered at the Zurich International Airport was called into

life, effective February 1, 1998. This decision was implemented in the wake of centralizing the management of the SAirGroup's aircraft fleets, comprising jetliners operated by Swissair and jetliners of its affiliated provider of long-haul charter flights: Balair/CTA, Leisure Ltd. Flightlease's business activities provide for the leasing and overall aircraft asset management, fleet development as well as the procurement of aircraft and parts/components destined for lease to third-party customers.

Swissair entered an alliance with the Belgian air carrier Sabena, holding a 49.5 percent stake. Its main focus is to bring more harmonization to Sabena's diverse fleet. The final decision as far as new procurement is concerned, however, will be made by Sabena's Board of Directors.

Swissair's major suppliers for spare/replacement parts as well as components are the two aircraft producer giants Boeing/McDonnell Douglas as well as Airbus Industries, while engines are either procured from Pratt & Whitney or CFM, a joint-venture partnership between General Electric and Snecma. Another important cornerstone pertaining to the aircraft industry is the furnishings and interior fittings market segment, predominantly supplied either by the German outfit Recaro, Rumbolt from Great Britain or from the Italian manufacturer Avon Interior. The dominant supplier of tires for Swissair's aircraft fleet is the French manufacturer Michelin, complemented with tires manufactured by Goodyear and Bridgestone.

The majority of Crossair's aircraft fleet (Swissair's affiliated regional commuter airline) is composed of jetliners manufactured by Saab, followed by aircraft made by Boeing/McDonnell Douglas and British Aerospace. Crossair took in June 1999 a strategic decision for its long-term fleet renewal program. The new partner, who has been identified for Crossair to replace a large part of its current 81-strong aircraft fleet (composed of Saab 340Bs, Saab 2000s, Avro RJ 85/100 and Boeing MD-82/83), will be the Brazilian plane maker Embraer. The purchase agreement calls for the acquisition of 75 airplanes valued at approximately \$ 2 billion, as well as options on a further 125 aircraft units estimated to be worth \$ 2.9 billion. The order encompasses the following jets: 30 jets of the ERJ-170 family, 30 jets of the ERJ-190-200 family, as well as 15 smaller jets of the ERJ-145 family. The first delivery is scheduled for February 2000 (ERJ-145).

The decision to introduce a new jet fleet was precipitated by the fact that Crossair's longtime Swedish airplane supplier, Saab, elected to withdraw from the civil aircraft market. Moreover, British Aerospace, likewise a longtime partner, could not come up with a new product e.g. aircraft fitted with 70 to 100 seats. The American/German aircraft manufacturer Fairchild-Dornier (e.g. the 728JET and 928JET family) was battling neck and neck for this lucrative contract. The deciding factor in favor of the Brazilian

manufacturer was the fact that it produces larger commuter airplanes e.g. ERJ-170 and ERJ-190 as well as the smaller ERJ-135 and ERJ-145.

The Swiss Confederation's domestic production is shared by two manufacturers namely Pilatus Aircraft Ltd. and FFA Aircraft Altenrhein Ltd. The former, headquartered in Stans, is by far the leading Swiss aircraft manufacturer whose market share accounts for approximately 96 percent. In 1998, Pilatus Aircraft Ltd. had a total of 74 units rolling off its assembly lines, predominantly comprising the PC-12 and PC-6 jets.

In spite of the short-term slump in trainer business, turnover rose from \$ 224 million to \$ 257 million, an increase of 15 percent. As far as delivered units are concerned, the highest level ever reached in 1996 (74 units) was equalized in 1998. A large incoming order from Oman worth approximately \$ 47 million (12 PC-9 trainers, including a simulator and training package) is cause for optimism for the current year and beyond.

The Swiss Aircraft and Systems Company (SF) maintains besides its mother company at Emmen several production plants in Switzerland. SF is yet in its infancy, as it was founded in 1996 when the former Swiss Federal Aircraft Factory was merged with the industrial division of the Swiss Air Force Logistic Command and parts of the Federal Ordinance Office. Swiss Aircraft and Systems Company, which operates on an independent footing and hence enjoys a great deal of autonomy, is owned by the Swiss Confederation. This establishment provides technical support to the Swiss Air Force in the fields of aviation and space activities, renders maintenance support, assembles combat/training aircraft, helicopters, drones and missiles, and undertakes development projects. Contributing to SF's success is the cooperation with leading aircraft manufacturers e.g. Boeing/McDonnell Douglas, Saab and Dassault Aviation.

The Swiss Federal Department of Defense (DoD) elected in 1993 to procure F/A-18 Hornet fighters (26 C single-seaters and eight D two-seaters; one dual seater unit crashed in April 1998, however).

These aircraft correspond as much as possible to the U.S. Navy configuration, with required modifications to be consistent with Swiss needs, principally in the areas of reinforcement of the airframe and the adaptation of electronic equipment, so as to harmonize with facilities already in place. Of the 34 aircraft units, one single and one two-seater were completed in the United States. The Swiss industry is actively involved in the production of the follow-on units. Prefabricated sections and components for the residual 32 units have been delivered to the Swiss Aircraft and Systems Company (SF) for assembly and testing. The last fighter jet is slated to join the Air Force's fleet by year's end.

The Defense Ministry announced in June 1999 plans to procure an

additional 10 F/A-18 fighter jets, earmarked to replace the more than 30 years old Mirage II RS. The ministry is currently in consultations with the U.S. Navy and Boeing to ascertain availability. Venues to acquire used fighter jets are also explored as the production of these jets will be discontinued in the fall 2000.

- Best Prospects for Agricultural Products

1 - WINE

U.S. wine exports to Switzerland continue to show strong growth in face of tough competition from France, Spain and Italy. Swiss consumers have shown an increased preference for low-priced wines in bottles, particularly at the retail level where prices of about \$10 is seen as the upper limit for a reasonable quality wine. There is good demand for higher quality wines, at higher prices, in the restaurant and hotel sector.

Currently, there are minimal restrictions on red wine imports. White wine imports are subject to a 75,600 hl tariff-rate quota, which is auctioned annually. White wine imports outside the tariff rate quota pay an additional duty.

DATA TABLE (in million US \$)

	1997	1998	1999
A) Total Consumption	2,570	2,503	2,510
B) Total Local Production	1,920	1,900	1,900
C) Total Exports	72	48	42
D) Total Imports	649	602	610
E) Imports from the U.S.	25	23	25

Note: The above statistics are unofficial estimates.

2 - FRESH GREEN ASPARAGUS

U.S. exports of fresh green asparagus continue to enjoy buoyant demand. U.S. fresh asparagus sales were valued at \$16.5 million in 1996 of which 99 percent were green. The U.S. supplied 88 percent of total Swiss fresh green asparagus imports in 1996, although competition from Spain caused this to dip to 80 percent in 1997. Swiss consumption is close to one half kilo per person.

Switzerland is an excellent market for U.S. fresh green asparagus because of the Swiss preference for larger-stalked asparagus.

A tariff-rate quota with an out-of-quota rate (8.64 SF/100 kg reduced to 7.34 SF/100 kg by 2000) may be applied to imports a maximum of forty-six days between May 1 and June 15 each year.

Imports outside the period of restriction will face a low tariff which will eventually be reduced to zero. During the period of restriction, certain quantities of imports will continue to enter the domestic market at the in-quota rate (7SF/100 kg). The Swiss government will set import quantities based on input from representatives of producer, consumer, and importer groups. Weekly allowable import quantities during the period of restriction are set in advance.

DATA TABLE	(in million US\$)			1997	1998	1999
A) Total Consumption				40.5	38.8	40.0
B) Total Local Production						
C) Total Exports				--	--	--
D) Total Imports				40.5	38.8	40.0
E) Imports from the U.S.				15.6	15.0	16.0

NOTE: The above statistics are unofficial estimates.

3 - BEEF

Following Switzerland's implementation of its Uruguay Round commitments on July 1, 1995, the U.S. has access to tariff-rate quota of 1,500 mt for high-quality beef. Beef imports meeting the USDA requirements of "choice" or "prime" will qualify for the quota. Imports out-of-quota will face tariffs of nearly 300%. While the Swiss beef market has been erratic in the face of the BSE problem in Europe, it remains a good market for U.S. beef.

DATA TABLE

(in million US\$)

	1997	1998	1999
A) Total Consumption	3000	2965	2990
B) Total Local Production	2970	2930	2960
C) Total Exports	0	0	0
D) Total Imports	30	34	31
E) Imports from the U.S.	20	21	20

NOTE: The above statistics are unofficial estimates.

4 - RAW TOBACCO

Switzerland is home to a number of multinational cigarette producers and exporters, and Swiss manufacturers play an important part in national policy concerning farm support and protection. Specifically, the Swiss cigarette manufacturing industry has a long-standing arrangement with the Swiss government and Swiss farmers to ensure that imports of raw tobacco enter duty free. Manufacturers support Swiss tobacco production by buying all domestic production at prices fixed by the government, but farmers are required to limit production to 730 hectares. This policy makes it possible to maintain Swiss producer prices at a higher level than imported goods, but also provides cigarette manufacturers a means to purchase the majority of its raw tobacco needs at low cost. The U.S. is the third largest supplier of raw tobacco with shipments.

- Significant Investment Opportunities

There are several major infrastructure projects (many in the transportation area) that offer opportunities for American companies:

Zurich Airport 2000: This project, already underway, is valued at \$1.5 billion. Included in the upgrade of the Zurich airport are: additional taxiways, new satellite terminal, people mover system, enlargement of terminal facilities.

Geneva Airport Expansion: Over the next few years there will be tenders for terminal expansion. These contracts are expected to be worth some \$190 million.

Euroairport Basel Mulhouse: Work will encompass expanding the terminal facility, a new finger pier with 25 docking slots, car park, shopping and restaurant facilities. Estimated cost of improvements is \$250 million.

Swissmetro: This project will link the major Swiss cities with

high-speed, magnetic underground trains. A 20 kilometer test stretch should be approved during the next year *at an estimated cost of \$1.5 billion). The entire project will be worth some \$8.3 billion.

NEAT: This \$10 billion project will construct two transalpine railroad systems linking Switzerland's northern and southern borders, including two tunnels through the Alps. These will accommodate high speed trains and will utilize state-of-the-art traffic control and rolling stock.

Energy 2000: The follow-up program to Energy 2000 will be worth some \$5 billion and will last until 2011. There will be many individual projects receiving funding. These projects will aim at promoting the use of new and renewable energies, energy saving technologies and relevant R&D.

Grimsel West: This is a major hydroelectric project that will increase the existing reservoir from 190 million cubic meters to 550 million and will add 8-12 new generating units over the next ten years. Project is worth some \$2.8 billion.

VI. TRADE REGULATIONS, CUSTOMS, AND STANDARDS

- Trade Barriers, Including Tariffs and Non-Tariff Barriers

With the possible exception of agricultural products, Swiss barriers to trade are more an annoyance than a major roadblock. Concerns for exporters include:

Agricultural Products: Until July 1, 1995, Switzerland's highly subsidized agricultural sector operated behind a variety of import restrictions -- licensing, quotas, supplementary import charges, variable levies, conditional import rules, import calendars, and the like. Prices of most agricultural imports were raised to domestic levels by variable import duties and specific non-tariff requirements on importers of agricultural products. A wide variety of U.S. agricultural products felt the effects of these barriers.

According to Organization for Economic Cooperation and Development (OECD) estimates, these policies resulted in Switzerland's having one of the most highly protected agricultural sectors in the world. While Swiss consumers have one of the highest levels of per capita expenditures for food, totaling over \$4,000 per year, and Switzerland imports about \$6 billion of agricultural products per year, structural impediments in the Swiss market and high tariffs restrict imports. As a result, Switzerland poses particular challenges to U.S. agricultural exporters, exemplified

by the fact that currently less than 5 percent of agricultural imports are shipped from the United States.

In recent years, Swiss agricultural policy has been reformed in order to be consistent with international (WTO) commitments. Most non-tariff measures have been converted into tariffs, export subsidies continue to be reduced, and domestic support payments have been de-linked from production. With greater transparency on the import regimes, U.S. exporters of agricultural products may have new market opportunities as a result of these changes.

Food Retailing System: A continuing obstacle to U.S. exporters, particularly those of high value products, is the food retailing system. The retail market is dominated by two retail giants who account for nearly half of grocery sales. U.S. exporters are disadvantaged by this system because the two food chain stores emphasize their own store brand products and favor products from their own processing plants. They are devoted primarily to in-house brands, followed by international brands to which they have exclusive marketing rights in Switzerland.

Swiss Cartels: Some 500 cartels exercise a strong voice in determining what comes into the country, how it is packaged, where it is sold, who may sell it, and how much it will cost. Services are also affected. A recent OECD study found that average prices of goods and services for private consumption in Switzerland are 40 percent higher than in other OECD countries. Price fixing or exclusive supply contracts exist in 90 percent of 72 industrial activities, ranging from building products to health insurance. Newspapers regularly carry price comparisons of products such as refrigerators, washing machines, electronic goods, etc. The price in Switzerland is almost always the highest in Europe.

Agricultural products are similarly affected by cartel practices. The marketing of many domestic farm products, and of competing imports, is controlled by cartel-like organizations of producers, wholesalers, processors, and retailers. Prior to Switzerland's implementation of its Uruguay Round commitments in 1995, these organizations were frequently behind non-tariff import restrictions, with government support. These groups will continue to play an important role in formulating import policy.

Complaints regarding the system come primarily from consumer groups, because once a producer or exporter (through a distributor) joins a cartel, the protection afforded is appealing. The new Swiss Cartel Law entered into force on July 1, 1996, and aims (per legal measures patterned on European Union competition policy) to stop anti-competitive practices on the part of "hard cartels". The so-called "soft cartels", however, may continue to enjoy dominant market share as long as they do not indulge in abusive practices such as price fixing or territorial or quantity allocation.

- Customs Regulations

Imported goods from the United States are subject to regular Swiss customs duties at the time of their importation. There is no specific free trade agreement between Switzerland and the USA.

- Tariff Rates

Generally speaking, Swiss duties are "specific" rather than "ad valorem". The customs duty varies according to the item imported; the Swiss customs tariff uses the Harmonized System (HS) for the classification of goods. Customs duties are levied per 100 kilograms of gross weight, unless some other method of calculation is specified in the tariff (e.g. per unit, per meter, per liter). The gross dutiable weight includes the actual weight of the goods and their packaging, including the weight of any fixing material and supports on which the goods are placed.

- Custom Broker's Fees

These are subject to negotiation but some typical fees are listed below:

- Arrival costs (when shipped by air) SF 4.00/100 kg gross (for unloading aircraft payable to airport administration)
- Costs for customs clearance, if picked up at customs (SF):

- 20 kg	80.00
20 - 50 kg	89.00
50 - 100 kg	98.00
100 - 200 kg	107.00
200 - 300 kg	116.00
300 - 1000 kg	179.00
over 1000 kg	
for every add.	
100 kg	+ 5.50

If items are not picked up at customs (and are forwarded by the broker), there is an additional 1 SF per parcel or a minimum of SF 10 per shipment.

- Truck deliveries: depending on weight and distance (e.g. up to 20 kg within a distance of 20 km costs SF 34.50)

These are the usual costs which are invoiced by the customs broker. Additional costs will arise if the customs broker advances funds, to be reimbursed by the recipient including the following:

- for freight charges: additional 2 % or min. SF 5.00

- for customs duties: additional 2 % or min. SF 5.00
- for VAT: 0.5 % or min. SF 2.00

Fees for special services if applicable:

- precious metal control per shipment SF 39.00
- veterinarian inspection per shipment SF 39.00
- plant inspection per shipment SF 39.00
- weight control per 100 kg SF 3.40
- inspection of dangerous shipments SF 34.00

- Extra time charges (applicable for special shipments which require a considerable amount of time for inspection, unloading, unpacking, weight control etc.)

minimum	SF 39.00
1 man/hour	SF 78.00
1 man/1/2 hour	SF 39.00

- Definite clearance after provisional clearance:
 (goods which are subject to further customs procedures before the customs charges can be determined are given provisional clearance)

per document	SF 37.00
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- Geleitschein (free-pass certificate)
 Goods which are to be re-exported or transported to another customs office or a customs warehouse, may be cleared on the basis of a "Geleitschein" or free-pass certificate.

minimum	SF 10.00
maximum	SF 100.0

- Prolongation of free-passes: per document SF 70.00
 - Precious shipmentsextra charge
 - 100 %
- Clearance outside customs opening hours

extra charge	100 %
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- Clearance on Sundays or public holidays

extra charge	200 %
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The above fees are based on one major customs broker in Switzerland, however, these prices may vary from broker to broker.

- **Import Taxes Including Value Added Taxes, Purchase Taxes, Uplifts and Surcharges, and Provincial Taxes**

Value Added Tax: Imported goods and services are also subject to a VAT. The standard VAT rate is 7.5 percent, although there is a reduced rate of 2 percent for certain goods and services, such as foodstuffs, agricultural products (meats, cereals, plants, seed and flowers), medicine and drugs, newspapers, magazines, books and other printed materials as well as on services of radio and TV companies. Domestically produced goods pay the same rates.

The VAT will be levied at the border and is usually prepaid by the customs broker/freight forwarder who maintains an account with the Swiss Customs Administration (Oberzolldirektion). Some important Swiss importers maintain their own account.

Excise Taxes: Excise taxes are charged on certain goods such as cigarettes and spirits. There are also some special charges for "storage" in the case of various feeds and grains.

More information about excise taxes can be obtained from:
For the importation of spirits:

Federal Administration of Alcohol
Länggasstrasse 31
3005 Bern
Tel. (41-31) 309 12 11
Fax. (41-31) 309 15 00
For the importation of wine as well as other agricultural products:

Federal Office of External Economic Affairs
Division Import-Export
Zieglerstrasse 30
3000 Bern
Tel. (41-31) 322 23 61
Fax. (41-31) 322 78 55

Quotas: The allocation of import quotas for agricultural products varies from product to product, while some import quotas are auctioned, others are coupled with a domestic purchase requirement.

For instance, there is a quota for white wine, which is auctioned annually to importers. In 1997 importers had to pay an average of SF 0.70 to 1.00 per liter in order to have import rights. Sixteen million liters were auctioned to approximately 500 wine importers.

Environmental Taxes: Environmental taxes on imported items are collected by the importer/distributor on behalf of the competent government agencies and are known as "prepaid elimination fees". All environmental taxes are included in the final retail prices and, as a result, are borne by the consumers. Environmental taxes are used, in particular, to cover recycling costs and are presently applied on

- cars SF 40.00 per unit
- bottles and cans depending on the material (aluminum, recyclable pet-labeled, glass etc.)
- Office and consumer electronics (based upon a voluntary industry agreement with

SWICO (Schweizerischer Wirtschaftsverband der Informations-, Kommunikations- und Organisationstechnik)

Badenerstrasse 356

CH-8040 Zurich

Tel. (41-1) 492 48 48

Fax. (41-1) 492 35 09

- Batteries depending on type and weight (A voluntary industry agreement will be replaced by a federal decree as of January 1999.
- VOC (Volatile Organic Compounds) SF 3.00 per kilogram (the goal being to eliminate VOC's wherever possible).

For further information on environmental taxes, please contact:

Bundesamt für Umwelt

Wald & Landschaft (Environmental Protection Agency),

Papiermühlestrasse 172

CH-3063 Ittigen/Bern

Tel. (41-31) 322 93 11

Fax. (41-31) 322 79 58

- Import License Requirement

Import licenses are required only for a limited number of products. These generally fall into two categories -- measures to protect local agriculture production, and measures of state control. To protect the agriculture sector and to maintain a degree of independence in case external supplies get cut off, Switzerland imposes quantitative restrictions on agricultural imports. Products under these restrictions include cattle, meat, milk and dairy products, indigenous fresh fruit and vegetables, seasonal cut flowers, cereals and forage products, wine and grape juice.

Products subject to a quota may not be imported without import licenses, which are granted only to importers based in Switzerland. Most quotas vary from year to year according to the size of harvests, volume of stocks and market requirements.

Import licenses are also required for certain products not subject to quotas, but which are covered by special regulations concerned with public health, plant health, quarantine (plants), veterinary regulations and regulations concerning the protection of species, safety measures, price control (for certain textile products), and measures for the protection of the Swiss economy and public

morality. Such import licenses are again issued only to persons and firms domiciled in Switzerland.

- Temporary Goods Entry Requirements

Goods imported from abroad which are to be re-exported or transported to another customs office or a customs warehouse may be cleared on the basis of a "Begleitschein" or free-pass certificate. The importer must apply for the certificate from the Customs Administration and provide security for the customs charges applicable to the imported goods. The certificate must be presented to customs within the stipulated time, together with the goods in unchanged condition for re-export.

Goods transiting Switzerland must be declared for clearance at the point-of-entry customs office, covered by a national or international transit document (bond note, TIR carnet, T1/T2 dispatch declaration, or international waybill). These goods must be re-exported intact within the designated time limit. No transit duties or fees are levied.

A transit permit is required only for narcotic drugs, armaments, and nuclear fuels and their residues. In the case of direct transit by rail, duties and taxes are guaranteed by the railway authorities. The issuing authority is the guarantor of road transit covered by a TIR carnet. A surety or financial deposit is required for transit covered by a bond note or transit through the EU covered by a T1/T2 dispatch declaration.

Goods temporarily imported or exported for processing or repair may be eligible for customs favored treatment. Reduction in duty or duty-free treatment can be granted when justified by economic interests of Swiss industry. Authorization is granted only to residents who do the processing or repair themselves, or commission a third party. Authorization is for particular goods that are to undergo specified processing. Special conditions may be imposed for customs handling and supervision.

Goods for display at public exhibitions are eligible for free passage (Freipass) through Swiss customs. Certification from the trade fair authorities that the goods are entering Switzerland for the exhibition, is usually required. Exhibition goods must be re-exported within a month of the end of the exhibition. If the goods are sold to a Swiss resident off the exhibition floor, the buyer incurs a liability for the customs charges. Almost all fairgrounds have a customs office on site and charges can be easily handled.

- Special Import/Export Requirements and Certifications

All imported or exported goods must be presented to the appropriate customs office and declared for clearance. Goods

imported into Switzerland must be declared to customs within the following time limits from arrival in the country: by road, 24 hours; river, 48 hours; rail, 7 days; and by air, 7 days. The importer may examine goods before submitting them for clearance. For Swiss customs purposes, an ordinary commercial invoice in duplicate or triplicate is considered sufficient documentation. The invoice should contain the following details: description of the products and packaging, gross and net weight of each package, quantity (in metric terms), country of origin, and value CIF (cost, insurance and freight) to the Swiss border. As Swiss duties are specific, indication of value is required only for statistical purposes. No consular or other stamp is required.

A certificate of origin is not normally required. An exception is if preferential duty rates are requested. Additionally, a certificate of origin may be required for health reasons (meats and plants) or for reasons of quality control (appellation wine).

Special health certificates, stamped by the competent authorities of the country of origin, are required for the import of horses, bovine animals, farm animals, certain domestic animals, bees and eggs for hatching, as well as for meat, game, seafood, beeswax and comb honey. Shipments of some vegetables, fresh fruits and wild plants must be accompanied by official plant health certificates of the country of origin.

Swiss importers are normally cooperative in informing the exporter of Swiss requirements, and in assisting in meeting those requirements from the Swiss side.

- Labeling Requirements

Swiss labeling requirements apply mostly to food products. False descriptions are strictly prohibited. As a rule, the label or packaging for sale to consumers must indicate the specific name of the product (in French, German or Italian), metric measure, sales price and unit price, weight of each component in the case of mixed products, and ingredients and additives in decreasing order of weight. All particulars of weight and measurements must comply with the regulations of the Federal Measurement Office (Eidg. Amt fuer Messwesen).

The Foodstuffs Ordinance specifies additional information that must be provided in the case of certain products, such as the name of the manufacturer or distributor, country of origin of the product, and 'use by' date. A growing number of distributors prefer to provide additional information on their labels, such as the 'EAN code' for computerized data retrieval, and/or the nutritional or energy value of the product.

Switzerland's food law is in general conformity with European Union food law. According to Swiss regulators, all standards are

equal to or less strict than EU standards, except for aflatoxins, microtoxins, and certain pesticides such as the level of pesticides in water for drinking and food processing. The regulations cover all food products as well as tobacco and packaging and labeling standards.

- Testing and Certification

Switzerland imposes technical standards and testing and labeling requirements for certain products; Swiss electrical safety standards (SEV-Standards) require that electrical equipment be tested before it can be marketed; tests may be costly and time-consuming. In most cases, procedures can be simplified for those manufacturers whose equipment has already been cleared in another country participating in the CENELEC (European Committee for Electro-technical Standardization) Certification Agreement (CCA).

Other certifying requirements apply to drugs (prescription and over-the-counter), which must receive approval from the inter-cantonal drug commission. Imported products must also be labeled in all three official languages (German, French, and Italian). As of October 1, 1995, individuals living in Switzerland have been able to import one US-made car of a single model type per year for personal use only, with (in most cases) only minor modifications, testing, and specifications requirements. An information sheet on the procedures is available from the Embassy's Commercial Section.

- Prohibited Imports

Strictly speaking, there are no prohibited imports in licit, commercial trade with Switzerland. The Swiss method of controlling unwanted imports is through the imposition of restrictions, quotas and other rules and regulations such as detailed in other parts of this section.

- **Warranty and Non-warranty Repairs**

In general warranty of **one year** is offered for the following products:

- Electrical household goods (except spare parts)
- Electrical consumer goods (except spare parts)

Televisions, PCs, refrigerators generally have a warranty of 2 to 3 years depending upon agreement. The same applies to automobiles. Spare parts are always excluded.

Non-Warranty products are: toys, food and clothing.

- **Export Controls**

Switzerland has had a mixed reputation on export controls because of previous shipments of sensitive technology to countries which had programs to develop weapons of mass destruction (nuclear, chemical, biological) and their associated delivery systems. For example, some Swiss firms were involved -- like firms from many other industrial nations -- in providing dual-use technology used in Iraq's program to develop nuclear and other weapons of mass destruction.

The Swiss government's restrictive action in this area has intensified, however, and the Swiss are active participants in non-proliferation control regimes such as the Nuclear Suppliers Group (NSG), Missile Technology Control Regime (MTCR), Australia Group (AG), Wassenaar Arrangement and the Chemical Weapons Convention. The Swiss government to a large extent shares the U.S. view of which nations pose serious proliferation risks. It now scrutinizes sales of sensitive dual-use equipment to questionable end-users. The U.S. and Swiss governments frequently exchange information on such sales.

The Swiss government has taken steps to tighten its export controls in recent years. After Swiss voters rejected a popular initiative that would have prohibited the export of war materials and dual-use goods/technology if used for military purposes, the Dual-Use Goods Law entered into effect October 1, 1997 and the War Materials Act became effective April 1, 1998. Both laws tighten controls over the export of sensitive items and strengthen the federal government's ability to prevent prohibited exports.

While some Swiss firms may serve as intermediaries for illicit or questionable trading with entities in proliferation-risk countries, the federal government works to prevent it. However, Swiss government monitoring and enforcement have often not been as tough as the United States government would like them to be. Some Swiss officials and businessmen fear that multilateral export

controls will discriminate -- intentionally or not -- against Swiss firms. The U.S. Government continues to encourage the Swiss government to remain vigilant and bring pressure to bear on firms that may attempt to circumvent export controls.

- **Standards**

The umbrella organization for Swiss standards is the Schweizerische Normen-Vereinigung (SNV, or Swiss Standards Association), a private, nonprofit association under Swiss law which groups Swiss governmental and private agencies and firms for the purpose of developing industrial standards and technical regulations. Certification rests with a variety of governmental and private agencies such as the Swiss Association of Machinery Manufacturers (VSM), Swiss Association of Electrical Apparatus Manufacturers (SEV), Federal Health Office, and the PTT. (See Appendix E for addresses.)

The SNV is in turn a member of the International Standards Organization (ISO) in Geneva, in which some 2,000 industry associations worldwide participate in the establishment of a system of quality management and recommendations. In its Series 9000, ISO has issued recommendations aiming at introducing some 20 issues in basic processes dealing with quality testing and management for manufactured products.

Swiss industry is increasingly adopting ISO 9000 standards. More Swiss producers are seeking certification, even though Swiss certification according to ISO standards is not yet recognized by the European Union. To overcome this, Swiss exporters are turning to agents or their own subsidiaries in the EU to obtain equivalent certification under the EN 29000 series of European Quality Management Standards, or double certification through an international network of private quality management associations.

Swiss industries incorporating U.S. components in their end products, especially in machinery and instrumentation (key Swiss export commodities), increasingly specify ISO 9000 standards for imports. Under the EN 29000 directives issued by the EU, the equivalent ISO 9000 series of norms are becoming a sales factor in the EU, and in Switzerland, even when not explicitly stated.

In the service sector, the Swiss banking industry and financial institutions are gradually looking at ISO's Series 9001 recommendations, which deal with product or service development and design, as well as with training. The ISO Series 9001-9003 recommend specific approaches and processes in systematic quality control. 9003 concentrates on end testing. Among the 1,000 Swiss organizations which have been certified so far, two banking giants, Union Bank of Switzerland and Swiss Bank Corporation, were the first to seek certification under the 9001 series.

An increasing number of Swiss and other European (particularly German and Scandinavian) manufacturing companies are seeking environmental certification according to ISO 14001 standards as a complement to ISO 9000. An unexpected benefit of the environmental ISO 14001 certification process is the uncovering and elimination of waste in manufacturing, procurement, storage and waste management (recycling). ISO 14001 certification also covers compliance with the growing number of environmental standards and greatly facilitates the introduction of new-to-market products.

However, and at least as important as the above mentioned regulatory aspects, the resulting certification can be used in novel marketing techniques. Leading marketing specialists have found ISO 14001 to be an effective marketing tool, particularly in environmentally conscious and sensitive markets like Switzerland, Germany or the Scandinavian countries. The two main Swiss supermarket chains COOP and MIGROS, for example, have introduced a whole range of products manufactured by means of environmentally "friendly" processes and materials. Although somewhat more expensive, these product groups are the fastest growing. This trend, which is still in its beginning phase, is expected to take on significant dimensions in the years to come.

American manufacturers and exporters should be aware of this development and may wish to consider (while preparing for ISO 9000 certification) combining it with ISO 14001 certification (which may result in considerable cost savings).

Swiss industry, trade and quality management associations, as well as official agencies such as the Swiss Federal Testing Agency EMPA recommend or conduct audits. Switzerland is also represented within the private European Organization for Testing and Certification Group (EOTC). A system of joint audits offering reciprocal treatment has been introduced between participating quality control associations in different European countries under the so-called E-Q-NET (European Network for Quality System, Assessment and Certification). In addition, reciprocity for quality management certification is on the agenda of negotiations between the government of Switzerland and the EU.

- Free Trade Zones/Warehouses

There are no free trade zones per se in Switzerland, but there are four ways of maintaining goods not cleared through customs -- free ports, federal bonded warehouses, private bonded warehouses, and in transit in the Rhine River port of Basel. Free ports are considered extraterritorial, and goods may be stored indefinitely without customs inspection. Goods may be unpacked and repacked, as well as undergo certain processing such as analysis, sorting, mixing and sampling. Major processing resulting in changes of tariff classification may be undertaken only with customs authorization. One or more free ports exist in or near virtually

every major city around the country.

Federal bonded warehouses, considered to be on Swiss customs territory, are subject to stricter regulations. Goods stored are under customs control, involving registration of arrivals and departures. Storage may not exceed five years, and only processing essential for the preservation of the goods may be undertaken. There are some dozen federal bonded warehouses.

Private bonded warehouses are operated by companies to store goods not cleared for free circulation through customs. Only wholesale traded goods are generally accepted. An import license or customs clearance note must be shown when goods covered by import restrictions or quotas are imported and cleared through customs for storage in a private bonded warehouse. Clearance for private storage is on the basis of a bond note, testifying to a cash deposit or bond to cover eventual customs charges.

The Rhine River port of Basel has transit warehouses for grain and similar goods for mass consumption; storage time is unlimited. Similar goods imported by ship in quantities of at least 12 tons may be stored for up to two years. Liquid fuels in transit are also stored.

- Membership in Free Trade Associations

Switzerland is a member of the European Free Trade Area. EFTA members (currently Iceland, Liechtenstein, Norway, and Switzerland) maintain their own external tariffs, while tariff duties on trade in industrial products among member countries have been eliminated. EFTA countries have free trade agreements with the European Union, Romania, Poland, Czech Republic, Slovakia, Hungary, Bulgaria, Estonia, Lithuania, Israel and Turkey, providing duty-free trade in industrial goods and certain farm and fisheries products; additional such agreements are foreseen for Slovenia, Albania, Macedonia, Egypt, Malta, Morocco, Tunisia, Cyprus, the Palestinian Authority, Jordan and Lebanon. Preferential Swiss duty rates apply to goods imported from the EU-EFTA free trade area when an importer makes a request on the import declaration and produces a certificate of origin. The Swiss also accord tariff preferences under the GSP to developing countries.

In December 1992, the Swiss population voted not to join the European Economic Area (EEA), whose aim is to achieve more complete economic integration between EU and EFTA members. The reasons for the rejection are many and varied, but basically involve instinctive fears of external control (from Brussels) and an unwanted influx of foreigners. Nonetheless, a referendum seeking to force the Swiss government to retract the country's application for EU membership was rejected in May, 1997. The Government is making a concerted effort to bring Swiss laws and

regulations into line with those of the EU, and is negotiating bilateral agreements with the EU Commission to gain as many of the economic advantages that joining the EEA would have afforded. These bilateral negotiations have encountered obstacles, the biggest of which has been in the area of land transport. The negotiations, which have been going on for over 3 years, have reportedly been concluded recently at the technical level. It now remains to be seen whether the agreement in its present form will gain the support of all the EU member states. Swiss officials hope that a final agreement can be concluded during 1998.

- Customs Contact Information

Eidgenoessische Oberzolldirektion
(Federal Customs Administration)
Division Tarif und Aussenhandelsstatistik
Monbijoustrasse 40
P.O. Box
CH-3003 Bern, Switzerland
Tel: (+41-31)322-6511
Fax: (+41-31)322-7872
Website: <http://www.ezv.admin.ch>

VII. INVESTMENT CLIMATE

- Openness to Foreign Investment

The Swiss welcome foreign investment and accord it national treatment. Foreign investment is neither actively encouraged nor unduly hampered by barriers. The federal government adopts a relaxed attitude of benevolent non-interference towards foreign investment. It confines itself to creating and maintaining the general conditions that are favorable both to Swiss and foreign investors. Such factors include economic and political stability, a firmly established legal system, reliable and extensive infrastructure, and efficient capital markets.

The major laws governing foreign investment in Switzerland are the Swiss Code of Obligations, the Lex Friedrich, the Securities Law and the Cartel Law. There is no screening of foreign investment nor are there any investment screening mechanisms nor sectoral or geographical preferences or restrictions except as described below in the section on Performance Requirements or Incentives.

With the exception of areas considered essential to national security, such as hydroelectric and nuclear power, operation of oil pipelines, transportation of explosive materials, operation of airlines and marine navigation, national treatment is granted to foreign investors.

Due to a new law, effective January 1, 1998, the

telecommunications sector, in which the state-owned PTT Telecom had monopolistic control, has been liberalized. PTT Telecom has been split into a postal service company ("Post") which remains a state enterprise, and a telecommunications company ("Swisscom") which is being privatized. One of the two main competitors to "Swisscom" is "DiAx", a telecommunications company which is 40 percent owned by Southwestern Bell Corporation of the U.S. The Swiss government has also made proposals to privatize the railways. Under these proposals foreign investors would be permitted to participate on an equal basis with domestic investors.

- **Right to Private Ownership and Establishment**

Foreign and domestic enterprises may engage in all forms of remunerative activities and may freely establish, acquire and dispose of interests in business enterprises. Legal restrictions apply to the following areas:

Corporate boards: The Swiss code of obligations (article 708) stipulates that boards of corporations registered in Switzerland must have a Swiss majority. The Federal Council may grant exceptions to this rule to holding companies whose major business is conducted outside Switzerland. However, even in this case, at least one director entitled to represent the company must be domiciled in Switzerland. The provisions were not designed to prevent or discourage the establishment or acquisition of companies by foreigners, but to provide protection to creditors and company shareholders.

Hostile takeovers: Swiss corporate shares can be issued both as registered shares (in the name of the holder) or bearer shares. Provided their shares are not quoted on the stock exchange, Swiss companies may in their articles of incorporation impose certain restrictions on the transfer of registered shares to prevent unfriendly takeovers by domestic or foreign companies (article 685a of the code of obligations). Unwelcome takeovers can also be warded off by public companies, but legislation introduced in 1992 has made this practice more difficult. Public companies must now cite in their statutes significant reasons, relevant for the survival, conduct and purpose of their business, to prevent or hinder a takeover by an outsider. As a further measure, public corporations may limit the number of registered shares that can be held by any one shareholder to a certain percentage of the issued registered stock. As practice has shown, most corporations limit the number of shares to between two and five percent of the relevant stock. Under the public takeover provisions of the new Stock Exchange and Securities Law (for which the implementing decree entered into effect in 1997), a formal notification is required for public takeover offers for Swiss companies on the Swiss exchange. Additionally, an "opt out" clause is available for firms which do not want to be forced to make public offerings

or be taken over by a hostile bidder.

Foreign financial institutions: Those wishing to establish operations in Switzerland must obtain prior approval from the Swiss banking commission. This is granted if the following conditions are met: reciprocity on the part of the foreign state; the foreign bank's name must not give the impression that the bank is a Swiss one; the bank must adhere to Swiss monetary and credit policy; a majority of the bank's management must have permanent residence in Switzerland. Otherwise, foreign banks are subject to the same regulatory requirements as domestic banks. A new banking law, which entered into force in 1995, enables foreign banks to set up branches, subsidiaries or representations without the prior approval by the banking commission (based on reciprocity). Foreign or domestic investors have to inform the banking commission before acquiring or disposing of a qualified majority of shares of a bank under Swiss law. Banks organized under Swiss law have to inform the banking commission before they open up a branch, subsidiary or representation abroad. In case of exceptional temporary capital outflows threatening Swiss monetary policy, banks can be obliged to seek approval from the Swiss national bank to issue foreign bonds or other financial instruments that would cause capital outflow.

Insurance: Insurance is subject to an ordinance which requires the placement of all risks physically situated in Switzerland with companies located in the country. Therefore, it is necessary for foreign insurers wishing to provide liability coverage in Switzerland to establish a subsidiary or branch there.

With the exception of those sectors in which state-owned enterprises have a legally established monopoly (i.e., railways, air transport, fire insurance and utilities), competitive equality applies.

- **Protection of Property Rights**

Secured interests in property are recognized and enforced, and mortgages are widely used. The legal system effectively protects and facilitates the acquisition and disposition of all property rights. Switzerland is a member of all major international intellectual property rights conventions and was an active supporter of a strong IPR text in the GATT Uruguay round negotiations. Switzerland has one of the best regimes in the world for the protection of intellectual property, and protection is afforded equally to foreign and domestic rights holders.

Patent protection is very broad, and Swiss law provides rights to inventors that are comparable to those available in the United States. Switzerland is a member of both the European patent convention and the patent cooperation treaty, making it possible for inventors to file a single patent application in the United

States (or other PCT country, or any member of the European Patent Convention, once it enters into force) and receive protection in Switzerland. If filed in Switzerland, a patent application must be made in one of the country's three official languages (German, French, Italian) and must be accompanied by detailed specifications and if necessary by technical drawings. The duration of a patent is 20 years. Renewal fees are payable annually on an ascending scale. Patents are not renewable beyond the original 20-year term, but patent term restoration is possible for products such as pharmaceuticals which require an extensive testing period prior to marketing. According to the Swiss Patent Law of 1954, as amended, the following items cannot be covered by patent protection: surgical, therapy and diagnostic processes for application on humans and animals; inventions liable to disturb law and order and offend "good morals". Nor are patents granted for species of plants and animals and biological processes for their breeding. In virtually all other areas, coverage is identical to that in the United States. Should an American firm have concerns about possible patent infringement in Switzerland, access to the courts is readily available and there is a well-established and highly regarded patent bar.

A new copyright law in 1993 improved a regime that was already quite good. The new law explicitly recognizes computer software as literary works and establishes a remuneration scheme for private copying of audio and video works which distributes proceeds on the basis of national treatment. Owners of television programming are fully protected and remunerated for rebroadcast and satellite retransmission of their works, and rights holders have exclusive rental rights. Legislation has been submitted to prohibit theft of satellite and premium pay TV signals using decoding devices. Collecting societies are well established. Infringement is considered a criminal offense. The term of protection is life plus 70 years.

Trademarks are also well-protected. Switzerland recognizes well-known trademarks and has established simple procedures to register and renew all marks. The initial period of protection is 20 years. Service marks also enjoy full protection. Trademark infringement is very rare in Switzerland -- street vendors are relatively scarce here, and even they tend to shy away from illegitimate or gray-market products.

The Swiss also protect layout designs of semiconductor integrated circuits, trade secrets, and industrial designs. Protection for integrated circuits and trade secrets is very similar to that available in the United States, and protection for designs is somewhat broader. Because of the complexities involved in ensuring protection in each of these areas, individuals and corporations seeking protection are advised to engage the services of a lawyer specialized in these fields.

Legislation implementing those portions of the TRIPS Agreement not already incorporated in Swiss law was passed as part of Switzerland's WTO implementation package. One issue which has recently surfaced involves the protection of test data submitted as part of the pharmaceutical approval process. In at least one case, the quasi-official Swiss pharmaceutical approval body has followed an interpretation of the TRIPS agreement which has led to one U.S. firm being harmed commercially. Swiss authorities are implementing measures which will mandate a 10-year protection period for test data, thus it is very unlikely that any similar problems will arise for U.S. firms.

- Adequacy of laws and regulation governing commercial transactions

In virtually all areas, Switzerland seeks to promote and encourage free and unfettered commercial activity. Firms which wish to pursue a commercial claim against another party may freely do so via the Swiss legal system, which generally functions without inordinate delays. We are not aware of any significant complaints on the part of U.S. business interests regarding the legal/regulatory environment prevailing in Switzerland with respect to commercial activity.

- Foreign trade zones / free ports

Swiss international airports have stores offering duty free shopping. In addition, private companies can utilize duty free warehouses which allows them to import goods into Switzerland tax and duty free so long as the goods are subsequently exported to third countries. In each of these examples, foreign-owned companies receive the same treatment as domestic ones.

- Major taxation issues affecting U.S. business

The Swiss tax regime as it affects U.S. firms in Switzerland is generally favorable and compares well to that of most other western European countries. Tax laws and practices are clear, comprehensive and enforced. Requests submitted by foreign-owned firms seeking rulings or clarifications from Swiss tax authorities are responded to quickly and definitively.

Nonetheless, there are a number of aspects of Swiss tax law which U.S. business advocates in Switzerland are seeking to have modified by Swiss authorities. Adequately addressing the increasing problem of cross-border transfer pricing adjustments is one major example. Another issue is Switzerland's practice of requiring full payment of applicable withholding taxes in combination with a refund procedure. This practice may reduce the attractiveness of Switzerland for the establishment of holding companies. Taxing stock options granted to executives of U.S.

firms at the time of issuance rather than when they are exercised (a practice adopted by only a few European countries) is increasingly another point of concern. However, the country is making progress in amending its tax regime to make it more favorable to multinationals and expatriates with a view to attracting additional multinational firms to Switzerland.

- Performance Requirements/Incentives

The government offers few large-scale incentives to prospective investors, and those that exist are open to foreign and domestic investors alike. The principal incentives provided by the federal government consist of low-interest loans to promote the hotel and catering/restaurant industry in mountain regions.

A federal incentive program designed to attract investment to "economically fragile" regions of Switzerland (generally speaking, the Italian and French linguistic regions) expired in June 1996 and was not renewed. Pursuant to a new law, a more decentralized system entered into force January 1, 1998. The new program provides federal loan guarantees to economically troubled cantons while devolving much of the authority to administer the funds and create incentive programs to the cantonal governments. Such incentives may include loan guarantees, fiscal incentives and interest subsidies. The cantonal government must match federal government commitments for each project. Interest subsidies are granted for a maximum of five years and cannot exceed one quarter of the usual commercial interest payments.

Many cantons offer investment incentive programs for foreign as well as domestic investment, in particular in rural areas. In fact, priority is often given to foreign businesses which bring new, high technology product lines. The most common incentives are: subsidies or loans by cantons for the development of industrial sites; cantonal guarantees on bank loans; capital loans at below-market interest rates; grants for facilities conducting research and development projects; subsidies to defray certain investment costs and to finance staff training; exemptions from taxes on profits and capital gains for specific periods; and liberal depreciation allowances.

Performance requirements, whether linked to incentives or other investment-related conditions, do not exist. There are no requirements to source locally, export production, or derive foreign exchange from production. There is no requirement that nationals own equity in foreign investments, that the share of foreign equity be reduced over time, or that technology be transferred on certain terms.

There are no conditions on permission to invest related to geographical area (with the exception of investment incentives noted above), percentage of local content or equity, import

substitution, export requirements or targets, employment of nationals, technology transfer, or local financing.

Government-financed or -subsidized research and development programs are open to foreign companies with headquarters in Switzerland. Major U.S. companies, like IBM and DEC, have participated in research projects funded by the Swiss government.

Visas and residence and work permits are strictly controlled in Switzerland. The country currently employs a three-tier system for issuing work permits. Citizens of EU countries are in the first tier and enjoy liberal access to work permits. The second tier is comprised of the U.S., Canada, Australia and New Zealand and citizens of these countries are eligible for a "limited number" of work permits. The "rest of the world" makes up the third tier and these nationalities are generally unable to get work permits except in cases of very highly qualified applicants. To date, the fact that the U.S. is in a limited work permit category does not appear to have posed a problem for Americans. Swiss authorities are currently contemplating changing to a two-tier system with EU countries still getting first preference and all other countries (including the U.S.) in the second tier. Second tier applicants would be judged on certain criteria that might include language ability, education, professional experience, etc, and perhaps be numerically limited. In any event, the issue of work permits for Americans has not represented a significant barrier to investment and we do not foresee this posing a problem in the future. A point of concern, however, is the continued existence of the authorization procedure for real estate acquisitions by foreign investors who are not in possession of a permanent residence permit. The law (Lex Friedrich) is designed to prevent real estate speculation by foreign investors.

Although authorization is usually granted when a purchaser intends to use a property to operate a long-term establishment, the law can constitute an obstacle to new investors wishing to locate in Switzerland. The Swiss Government is aware of this and has tried to introduce a modification of the law, which was rejected by voters in a 1995 referendum. In spring 1997, the Swiss Parliament voted in favor of a less restrictive modification of the law.

There are no discriminatory export and import policies which seriously affect foreign investors. The non-tariff barriers which continue to exist, mainly in the areas of technical standards and testing requirements for certain industrial products, apply to both domestic and foreign-owned import companies. There is also a requirement that imported products be labeled in all three official languages (German, French and Italian). All drugs (prescription and over-the-counter) must be approved and registered by a quasi-official agency (the IKS, or intercantonal drug inspection office). However, none of these measures can be considered as discriminatory since they apply to all importers and

distributors. Import duties are generally low, under three percent for most raw materials and industrial products. Although preferential duties are offered to a large number of developing countries, imports of virtually all agriculture products, regardless of their origin, are subject to import and supplementary duties and to variable import quotas. To fulfill WTO obligations, Switzerland is in the process of tariffication of all non-tariff barriers and lowering tariffs on most imported agricultural products.

- Transparency of the Regulatory System

Regulations affecting both local and foreign investors in Switzerland are transparent and evenly applied. Regulations are carried out effectively and in a non-discriminatory manner.

Cartels are endemic to the Swiss economy, and are likely to remain so for the foreseeable future. Companies in a number of industrial and service branches have organized themselves, through trade and industry associations, into horizontal and vertical cartels. Such arrangements exist in the market for prescribed medicines, sanitary ware, kitchen equipment, optical products, books, beverages, food retailing, dietary products, and many other sectors of the economy. The government has acknowledged the need to augment competition in the Swiss market and bolstered its powers to do so with the entry into force in July 1996 of a new Cartel Law. The new law, like its predecessor, does not automatically prohibit cartels. Only so-called "hard cartels", in which clear evidence of market distortion exists, are to be examined and potentially sanctioned under the new legislation. Foreign investments are subject to review by the Competition Commission if the value of the investing firm's sales reaches certain worldwide or Swiss-market thresholds. An investment or joint venture by a foreign firm could be disapproved on grounds of competition policy, although there is no evidence that this possibility will have a discriminatory effect.

A considerable number of obstacles hinder retail operations in the domestic market. Some of these are planning regulations, local building codes, advertising restrictions, standards for equipment, approval procedures, and opening hours for shops, to name but a few. Such measures are non-discriminatory, although their effect can be to limit possibilities for large discount retailers. Bureaucratic procedures are numerous but efficient, transparent, and non-discriminatory.

- Corruption

Switzerland has an effective legal and policy framework to combat domestic corruption. Laws are enforced effectively. U.S. firms investing in Switzerland have not complained of corruption. Corruption is not pervasive in any area or sector of the Swiss

economy. Switzerland maintains effective investigatory and enforcement procedures to combat domestic corruption. Giving or accepting bribes within Switzerland is a crime subject to criminal and civil penalties including imprisonment and fines.

Bribery of foreign officials by Swiss firms remains a legal act as well as a tax-deductible business expense in Switzerland. The Swiss government was a helpful, if cautious, participant in the OECD negotiations which reached agreement to both criminalize and end the tax deductibility of foreign bribes. Separate pieces of legislation have been drafted to address the tax deductibility aspect and the criminality aspect of international bribery to bring Switzerland into compliance with the OECD obligations. This legislation, however, has yet to be considered by either house of Parliament and passage is therefore not likely until late in 1999.

There is at present no government agency specifically mandated to combat corruption. Domestic corruption is investigated by the police and prosecuting authorities at the federal and other levels of government. No investors have been accused or convicted of corruption in recent memory. The degree and extent of past corruption in the dealings of Swiss firms abroad are unclear, though once implemented, the recent OECD anti-bribery decisions will likely have a significant impact.

- Labor

The Swiss labor force is highly educated and skilled. Many low-skilled, low-wage jobs are filled by foreigners, who are counted in the official labor force estimate of approximately 3.4 million people. Only 5.1 percent of the workforce is in agriculture. Almost all of the remainder is engaged in services or industrial manufacturing, much of which involves high technology. Swiss workers expect high wages and salaries. Because wages in Switzerland are among the highest in the world, the Swiss economy is capital intensive and geared toward high technology products.

Switzerland is in full compliance with the ILO Convention. Government regulations cover maximum work hours, minimum length of holidays, sick leave and compulsory military service, contract termination, and other requirements. Employees in the retail sector and in restaurants, bars, and the like, in cooperation with other interests, have been successful in slowing reform of the restrictive federal and cantonal laws governing opening hours. The opening hours restrictions, however, are loosening gradually.

About one-third of the country's full-time workers are unionized. In general, labor/management relations are excellent. They are characterized by a willingness on both sides to settle disputes by negotiations rather than by labor action; days lost to strikes are among the lowest in the OECD.

- Efficiency of Capital Markets and Portfolio Investment

The efficiency of the Swiss capital market is well-reflected by the role of Switzerland as one of the top financial centers in the world. The Swiss-franc denominated foreign bond market is one of the largest markets for foreign borrowers, and Zurich is one of the largest gold trading centers in the world. There are no restrictions on the purchase or sale of foreign currencies and equities. Residents and non-residents may conclude foreign exchange contracts, whether of a commercial or financial nature, in all currencies. Exchange controls exist only for countries having non-convertible currencies. All forward transactions can be made at free market rates, by foreigners and Swiss nationals. Payments for imports from all sources may be made freely, and exporters are free to dispose of their proceeds. No legal impediments apply to payments for, or receipts from, invisibles. The repatriation of invested capital is unrestricted.

The Swiss credit market is open to foreign investors without any restrictions, and at the same terms and conditions as for Swiss investors. A variety of credit instruments are available to the private sector.

With the exception of hidden reserves that companies in Switzerland are entitled to hold, legal, regulatory, and accounting systems are transparent and consistent with international norms.

To prevent misuse of the very liberal market framework, provisions to regulate certain aspects of portfolio investment have been enacted. One is the due diligence convention among Swiss banks, under which banks must identify the beneficial owner of the invested funds. Further, the Swiss penal code has explicitly recognized money laundering as a criminal offense since August 1990. A second package of measures, which came into effect in August 1994, criminalizes membership in or support of a criminal organization. The change in the law facilitates confiscation of illicitly acquired assets without having to establish an exact linkage between a given asset and a specific crime. In addition, the revised penal code allows bank employees to report suspicious transactions without fear of violating the bank secrecy regulations. April 1, 1998, a third package of measures entered into force, which extends money laundering regulations to non-banking financial institutions and establishes an obligation to report suspicious transactions.

A new law on investment funds entered into force at the beginning of 1995, the main purpose of which is to make Swiss practice compatible with EU legislation. To encourage financial institutions to keep funds in Switzerland, the new law removed all restrictions on the type of assets they can hold. A clear separation between mutual fund management and the custodian bank

is also stipulated.

In 1998, total assets of the country's two largest banks were SF 1,373,548 million (\$ 898 billion), representing 66.7 percent of all bank assets in Switzerland. Although undergoing some structural changes, the Swiss banking system can be considered healthy and sound. Triggered by a crisis in the real estate market in 1991, a concentration process, affecting mainly regional banks, began to develop. With the exception of the closure of some banks by the Federal Banking Commission, the process evolved smoothly and without any losses for depositors.

Foreign investment is not restricted by "cross-shareholding" or "stable shareholder" arrangements. There is no discrimination of any kind against foreign investors, except for those limitations cited under the section "Right to Private ownership and Establishment." Special measures available to Swiss firms to defend against hostile takeovers are covered under the above section as well.

There are no laws authorizing private firms to limit or prohibit foreign investment or participation. The board of directors of a corporation with limited liability and the administration of a co-operative company must be composed of a majority of Swiss citizens domiciled in Switzerland. This rule may be waived for holding companies if a majority of their subsidiaries are established abroad. At least one member of the board of directors authorized to represent the company will have to be domiciled in Switzerland.

If the board of directors consists of a single person, this person must have Swiss citizenship and be domiciled in Switzerland. The establishment of a commercial presence by persons or enterprises without a legal personality under Swiss law requires an establishment authorization according to cantonal law.

It is envisaged that the nationality requirement might be dropped in the future, with an emphasis on domicile instead. The revised company law enacted in July 1992 generally forbids discrimination against foreigners concerning the acquisition of shares and the rights of shareholders.

There are no private or government efforts to restrict foreign participation in industry standards-setting. There are no other practices by private firms to restrict foreign investment, participation, or control in or of domestic enterprises.

- Conversion and Transfer Policies

There is complete freedom of transfer of investment income, royalties, and repatriation of capital. There are no Swiss government policies or laws which would regulate or limit the inflow or outflow of capital. Foreign exchange markets are free and access to foreign exchange is uncontrolled. Swiss foreign exchange markets are highly developed and efficient. There is no

need for a parallel system for the repatriation of capital or profit.

- **Expropriation and Compensation**

Property rights are assured by the Swiss constitution. Within the framework of their constitutional powers, the federal and cantonal governments can, through a legal process, expropriate or restrict property for reasons of public interest. In the event of expropriation or property restriction, full compensation must be made. Disputes are settled by an independent court, as required by the European human rights convention. As a general rule, recourse to expropriation is taken only in cases involving major public construction projects, such as highways, railroads or airports. That said, the Embassy is unaware of any major expropriations or restrictions in the recent past involving foreign investments.

- **Dispute Settlement**

The Embassy is not aware of any significant investment disputes which have occurred in the recent past. The Swiss legal system includes commercial and bankruptcy laws and provides for sufficient protection of secured interests in property. Laws are consistently applied and enforced. Switzerland has been a member of the International Center for the Settlement of Investment Disputes (ICSID) from its inception in 1966.

- Political Violence

Switzerland continues to be a country of political and social stability, and there are no signs of possible political violence.

- Bilateral Investment Agreements

To date Switzerland has concluded 87 investment protection treaties with developing countries and new market economies. Of these, 73 are in force with: Albania, Argentina, Barbados, Belarus, Benin, Bolivia, Bulgaria, Burkina Faso, Cameroon, Cape Verde, Central African Republic, Chad, China, Congo, Costa Rica, Cuba, Czech Republic, Ecuador, Egypt, El Salvador, Estonia, Gambia, Ghana, Guinea, Hungary, Indonesia, Ivory Coast, Jamaica, Jordan, Korea, Laos, Latvia, Liberia, Lithuania, Macedonia, Madagascar, Malaysia, Mali, Malta, Mauritania, Mexico, Moldova, Morocco, Niger, Pakistan, Panama, Paraguay, Peru, Poland, Romania, Russia, Rwanda, Senegal, Singapore, Slovakia, Slovenia, South Africa, South Korea, Sri Lanka, Sudan, Syria, Tanzania, Togo, Tunisia, Turkey, Uganda, Ukraine, Uruguay, Uzbekistan, Venezuela, Vietnam, Zaire and Zambia. 14 treaties have been signed, but not yet ratified, with: Brazil, Cambodia, Chile, Croatia, Honduras, India, Iran, Kazakhstan, Mongolia, Namibia, Philippines, Rwanda, Thailand, and Zimbabwe.

- OPIC and Other Investment Insurance Programs

OPIC is not active in Switzerland. However, Switzerland is a member of the multilateral investment guarantee agency.

- Capital Outflow Policy

There are no Swiss government policies or laws which would regulate or limit the outflow (or inflow) of capital. Thus, the transfer of investment income, royalties, and repatriation of capital is unrestricted.

- Major Foreign Investors

A list of the largest U.S. investors by number of employees follows (data on the size of the firms' investments were not available):

		1997	1998
1.(1.)	McDonald's Corporation	4,300	5,000
2.(3.)	IBM Int. Business Machines	2,300	2,500
3.(2.)	Philip Morris Companies /1	1,900	2,200
4.(4.)	Dig. Equipment Corporation	1,400	1,600
5.(10)	Rockwell Automation	900	1,500
6.(7.)	DHL	900	1,300
7.(5.)	Johnson & Johnson Internat.	1,200	1,200
8.(9.)	Hewlett Packard Company	900	1,100

9.(-)	Kraft Foods Corporation		1,100
10.(8.)	Citicorp	900	900

(number in parentheses indicates 1997 ranking)

Source: Swiss-American Chamber of Commerce.

VIII. TRADE AND PROJECT FINANCING

- Brief Description of Banking System

Switzerland is one of the world's most important banking centers. The banking network is highly developed and Swiss banks are among the world leaders in specialized fields such as private banking and asset management. At the same time, most banks offer a comprehensive range of services.

The Central Bank: The Swiss National Bank, incorporated in 1905, has executive offices in Bern and Zurich and branch offices in eight other cities. More than one-half of its share capital is held by the cantons, the cantonal banks and other public bodies; the remaining shares are owned by Swiss citizens. Although the federal government is not a shareholder, it has statutory power to appoint 25 of the bank's 40 council members, including the president, vice-president, and board of directors. Further, the federal government approves the bank's regulations, its annual report and financial statements.

Supervision of the National Bank is the responsibility of the Bank Council, which appoints ten of its members to the Executive Committee. The latter meets at least monthly and advises on the fixing of bank rates with the three-member board of directors.

The most important duties of the National Bank include the determination and implementation of monetary and credit policy, exclusive right to issue or withdraw bank notes and coins, and the bank functions as a clearing-house for interbank transfers. Swiss National Bank approval is required for capital exports by banks and bank-like finance companies, such as loans or new issues, in excess of SF 10 million (\$ 7.1 million) and for longer than one year. The supervision of the banks and the banking system as such, however, is the duty of the Federal Banking Commission located in Bern. The Federal Banking Commission reports to the federal government.

The Banking Market: The total assets of the Swiss banking system at the end of 1997 amounted to SF 2,058 billion (\$ 1,429 billion).

The banking market covers eight categories of banks and finance companies subject to Swiss National Bank reporting requirements:

Cantonal banks: There are 24 cantonal banks involved mainly in acceptance of savings deposits, issue of mortgages or debentures to satisfy local commercial and private credit needs, and granting loans to public authorities. There are also some full commercial cantonal banks; in most instances, the banks' liabilities are guaranteed by the canton. Several cantonal banks experienced serious problems recently as a result of the sharp declines in the real estate market. As a consequence, the banks of Solothurn and Appenzell were taken over by the United Bank of Switzerland.

Big banks: The two big banks (United Bank of Switzerland and the Credit Suisse Groupe) are universal banks engaged in all types of banking business -- acceptance of deposits, provision of credit facilities, mortgage loans, dealing in foreign exchange and precious metals, portfolio management, underwriting, etc. As members of the stock exchange in Zurich, they deal in securities. The formation and management of investment trust and mutual funds is also a feature of the big banks' securities dealing and portfolio management business. The big banks are represented in all major financial centers abroad.

Regional and savings banks: Originally founded as mortgage and savings banks, regional and savings banks are now beginning to expand their services. Although similar to cantonal banks by virtue of their local character, most regional and savings banks are corporations or cooperative societies. A number of mergers of regional banks, and acquisitions by big banks, may indicate a trend toward concentration among the regional and savings banks.

Lending associations: The Federation of Raiffeisenkassen and the Federation Vaudoise de Credit Mutuel are made up of legally independent cooperative societies, established in small communities all over the country. The main purpose of these banks, largely used by farmers and small business owners, is to utilize resources of local communities, which are recirculated as credit at favorable interest rates.

Other banks: The domestically-owned banks in this category are mainly closely-held private corporations; they are engaged in all types of banking activity and are located primarily in Zurich, Geneva, Lugano, and Lausanne. The foreign-controlled "other banks" established as limited companies cover a wide variety of specialist areas.

Finance companies: Companies whose assets consist primarily of long-term loans to, and investments in, other companies are considered finance companies. If funds are publicly raised, such

companies are treated as banks. If funds are raised through intra-group funding or bank loans, they need only comply with Articles 7 and 8 of the Swiss Banking Law, which require them to provide annual financial statements and statistical information to the National Bank and to seek permission before making significant foreign investments (over SF 10 million and for longer than one year). If financing is only through bond issues, no specific Banking Law rules apply. In recent years, finance companies have been established by foreign banks to maintain a presence on the Swiss market (for bond issues, foreign exchange and securities dealing, portfolio management) with minimal formal requirements. In 1990 the Federal Banking Commission introduced a new definition for companies to be fully subject to the Banking Law. All entities financing themselves to a large degree from a number of unrelated persons or corporations or who participate in public issues of securities or rights with a similar function and which publicly offer these securities on the primary market now qualify as banks. Bank-like finance companies active in these areas must comply with all Banking Law rules.

Private banks: These are generally organized as partnerships and bear the name of at least one partner with unlimited liability. Their main business includes portfolio management, underwriting, new issues, and stock exchange transactions.

Branches of foreign banks: A number of foreign-controlled banks, some of which are universal banks, operate as branches.

The Important Role of Foreign Banks: Foreign banks play a very prominent role in the Swiss banking sector. At the end of 1998, foreign banks and bank-like finance companies comprised about 39.6 percent of total banking institutions in Switzerland, accounting for about 8 percent of total assets. The number of foreign institutions has grown steadily in recent years, with assets reaching SF 162 billion in 1998 (\$ 112 billion). **North American banks account for 18 percent of the foreign bank population.**

Foreign banks in Switzerland have continued their restructuring, with a clear trend toward concentration on services. More favorable market conditions and the growing significance of this off-balance-sheet business (above all asset management) have led to greater profitability with a simultaneous reduction of staff. A notable aspect of this development was the transfer of funds from fiduciary deposits to other forms of investment due to changes in interest rates.

The many attractions of Switzerland as a place of business for foreign banks include:

Political and economic stability of the country
Legally protected banking secrecy

Presence in one of the world's important financial centers
 Foreign banking facility for domestic customers
 Contact with Swiss companies with business interests in the
 country of the foreign bank
 Portfolio management services
 Facilities for raising funds at relatively low interest/tax rates
 for reinvestment abroad

Specialized Financial Institutions: In addition to the companies described above, specialized financial institutions exist for the clearing of funds and securities, as follows:

Postal check system: Run by the PTT, it is the main system used by individuals for settling local currency denominated obligations. Many companies maintain a postal check account, primarily to facilitate collection of remittances from customers.

Local currency denominated interbank clearing: handled by a computerized system (SIC -- Swiss Interbank Clearing) run under the auspices of the Swiss National Bank by Telekurs AG, a service company owned by all participating Swiss banks.

Swiss securities: in most instances, these are cleared by banks through SEGA (Schweiz. Effekten-Giro AG), another service company owned by participating Swiss banks.

Swiss Corporation for International Securities Settlements (Intersettle): Intersettle started operations in June 1989, offering banks and finance companies in Switzerland an electronic clearing system for securities traded in Switzerland and abroad.

Swiss Options and Financial Futures Exchange (SOFFEX): the first exchange operating without a trading floor, it is administered by SOFFEX AG, which is owned by the big banks and the Swiss Stock Exchange.

Specialized financial services are also offered by banks. For example, some large Swiss banks have subsidiaries engaged in leasing and factoring, bill discounting, installment purchase, and international trade finance. Certain private bank institutions also specialize in these particular fields of finance. In addition, some commercial banks now offer insurance in cooperation with insurance companies.

1998 Performance of the Banking System: The Swiss banks again look back on a very positive year. In 1998 they succeeded in lifting their gross profit by 8% to 23.3 billion, exceeding even the record level of 22.6 billion recorded in 1993. The balance sheet total of the 376 reporting banks rose by 16% (1997: 19%) to SF 2,058 (\$1,782) billion. This development was largely attributable to the banks' foreign business, notably claims and liabilities vis-à-vis banks and trading portfolios in securities. By contrast, the banks again exercised considerable restraint in granting credits to domestic nonbanks. Credit balances and liabilities denominated in foreign currency increased by 22% and 13% respectively whereas Swiss franc business stagnated.

For the first time, at the end of 1998, complete statistics were compiled on the securities portfolios of customers managed by domestic banks. Overall, these totaled SF 3,000 billion; SF 1,400 billion were accounted for by domestic customers, SF 1,600 billion by foreign customers.

At the end of 1998, 376 (1997: 394) banks submitted their financial statements to the Swiss National Bank (SNB). The decrease of 18 banks was the net result of takeovers, closures and the establishment of a number of new institutions. The development reflects the ongoing restructuring process in the banking sector. The merger between the Union Bank of Switzerland and Swiss Bank Corporation announced in autumn 1997 was completed on June 26, 1998. This came only after the Swiss Competition Commission had approved the merger (subject to certain conditions being fulfilled) and after the EU competition authorities and the foreign supervisory authorities (notably the U.S. Federal Reserve and the British Financial Services Authority had given the green light.

Recent Developments in Banking Legislation: The new Securities Legislation, based on the self-regulation principle, entered into effect in 1997. Supervision will be carried out by the "Federal Banking and Stock Exchange Commission" -- the new name for the Federal Banking Commission (FBC). The new law gives FBC more flexibility in adopting its guidelines and contains the principle of national treatment.

A new Banking Law entered into force January 1, 1995. The law permits foreign banks to open subsidiaries, branches, or representative offices in Switzerland without approval by the FBC. This opportunity is based upon reciprocity, and requires a prior agreement between Switzerland and foreign governments. The new law also requires banks to announce any acquisition or sale of its shares by a major shareholder (minimum 10 percent of capital or voting rights) to the FBC (shareholders engaging in such activity must notify the bank). Major shareholders of a bank can also be

held liable for improper conduct by the bank. To enforce compliance with these shareholder requirements, the FBC is authorized to block their voting rights if they fail to comply. Finally, the FBC will be authorized to exchange information and documents with foreign bank supervisors. The FBC will also be allowed to give out information to foreign criminal authorities in cases covered by mutual legal assistance agreements. This modification will not change legal assistance, but speed up exchange of information between authorities investigating criminal matters.

Besides the new banking law, a new law on investment funds entered into force at the beginning of 1995, whose main purpose was to make Swiss practice compatible with EU legislation. The new law removed all restrictions on the type of assets they can hold to encourage financial institutions to keep funds in Switzerland. A clear separation between mutual fund management and custodian bank was also stipulated. Together with the partial removal of the stamp tax in April 1993, this liberalization should favor the setting up of investment funds in Switzerland.

While the revised banking law should speed up exchange of information for legal assistance, the revised Legal Assistance Act entered into effect in February 1997. This new law is intended to accelerate procedures in connection with sensitive requests for legal assistance. The Swiss government recognized that rapid and efficient international aid in criminal proceedings is in the interest of Switzerland as a financial center.

- Foreign Exchange Controls Affecting Trade

The Swiss franc is freely convertible. With the exception of certain regulations applicable to banks and finance companies, there are no exchange controls. The National Bank has authority to introduce measures concerning minimum reserve requirements, foreign currency position, foreign source funds and a calendar for public issues of bonds and shares, but these are intended for use only to counter exceptional circumstances such as massive speculation resulting in permanent over-valuation of the Swiss currency, causing problems for the Swiss export industry. Bank accounts may be maintained in local or foreign currencies either in or outside Switzerland without restriction. There is no distinction between resident and nonresident accounts.

Repatriation of capital, loans, dividends, interest, royalties, service fees and branch office profits can be effected without limitation through any bank. Export proceeds may be disposed of freely. Leading and lagging of import and export payments is allowed; there are no limitations, nor is prior authorization required. Netting of trade-related payments and financial transactions is also allowed, without prior authorization.

- **General Financing Availability**

All traditional means of financing are fully available to businesses in Switzerland, including access to the stock exchange and issuing publicly quoted bonds and stock. Small and medium size businesses usually approach their banks for finance, and are offered a tailored package drawn from a wide range of financing products. The venture capital market is still relatively new in Switzerland, but banks offer venture capital, and there are an increasing number of venture capital companies. There are no restrictions on foreign investors' access to financing in Switzerland. Foreigners are free to invest in government securities and in debt instruments of Swiss-quoted companies.

- **How to Finance Exports/Methods of Payment**

Export financing is primarily conducted through commercial sources. Payment terms are arranged with the bank or financing institution.

- **Types of Export Financing and Insurance Available to U.S. Exporters**

The government makes no special provisions for export financing. Financing is freely available through commercial sources.

Insurance is also usually obtained through commercial sources. The Swiss government does administer the Federal Export Risk Guarantee (ERG) program to assume some risks in connection with foreign trade over which neither the exporter nor the foreign buyer has control, and for which no other insurance coverage is available. The guarantee is granted to companies resident in Switzerland for exports of Swiss goods (except weapons and ammunition), Swiss construction and engineering projects, and Swiss licensing agreements. Local content requirements are flexible. ERG coverage does not include nonpayment of private debtors, damages due to complaints about defective goods delivered or services rendered, or losses incurred due to revaluation of the Swiss franc. Risk coverage generally ranges from 50 to 95 percent, depending upon the size of the contract. In July 1996, the Federal Council extended the ERG program to selected private default risks, particularly those involving credit guaranteed by Eastern European banks.

- Availability of Project Financing

Generally speaking, there is no special financing available for projects in Switzerland. The federal government may grant long-term loans at preferential interest rates for infrastructure projects in designated regions threatened with economic decline (primarily remote, mountainous regions). Cantonal and communal governments offer a wider variety of incentives, including financing, for investment projects in their respective areas. Most cantons maintain economic development agencies, some even with offices or representatives abroad, for the purpose of dealing with projects and investments. For further information, contact the cantonal chambers of commerce listed in Appendix E.

- List of Banks with Correspondent U.S. Banking Arrangements

The Swiss banks listed in Appendix E have correspondent relationships with U.S. banks, as do most other large Swiss banks. More importantly, the following U.S. banks have offices or representatives in Switzerland and are quite interested in trade and project financing.

American Express Bank (Switzerland) SA	T. Graeme Haig
50, rue du Rhône	General Manager
P.O. Box 3072	Tel:(41-22) 319 08 08
CH-1211 Geneva 12, Switzerland	Fax:(41-22) 311 22 88

Bank of America NT & SA	Fred Schut
40, rue du Marché	Country Manager
P.O. Box 3042	Tel:(41-22) 318 69 11
CH-1211 Geneva 3, Switzerland	Fax:(41-22) 318 69 00
http://www.bankamerica.com	

Bank Morgan Stanley AG	Adolf Bruendler
Bahnhofstrasse 92	General Manager
P.O. Box 6740	Tel:(41-1) 220 91 11
CH-8023 Zurich, Switzerland	Fax:(41-1) 211 98 00
http://www.ms.com	

Bankers Trust AG	Roberto Martinez
Stauffacherquai 42	General Manager
P.O. Box	Tel:(41-1) 639 25 00
CH-8039 Zurich, Switzerland	Fax:(41-1) 639 29 00
(Private banking, offices in Zurich and Geneva)	

The Chase Manhattan	Jean Patry
Private Bank (Switzerland)	Acting Chairman
63, rue du Rhone	Tel:(41-22) 787 91 11
P.O. Box 3215	Fax:(41-22) 736 24 30
CH-1204 Geneva, Switzerland	
(Private banking, offices in Geneva and Zurich)	

<p>Citibank (Switzerland) Bahnhofstrasse 63 P.O. Box 3760 CH-8021 Zurich, Switzerland http://www.citicorp.com (Offices in Zurich, Geneva and Lugano)</p>	<p>Philippe Holderbeke General Manager Tel. (41-1) 205 71 71 Fax. (41-1) 205 86 06</p>
<p>J.P. Morgan (Suisse) SA 3, place des Bergues P.O. Box 1864 CH-1211 Geneva 1, Switzerland http://www.jpmorgan.com (Offices in Zurich and Geneva)</p>	<p>William L. Oullin Managing Director Tel. (41-22) 739 11 11 Fax. (41-22) 732 26 55</p>
<p>Republic National Bank of New York (Suisse) SA 2, place du Lac P.O. Box 3580 CH-1211 Geneva 3, Switzerland (Offices in Geneva, Zurich and Lugano)</p>	<p>Sem Almaleh General Manager Tel. (41-22) 705 55 55 Fax. (41-22) 311 99 60</p>
<p>Goldman, Sachs & Co. Bank Muensterhof 4 CH-8022 Zurich, Switzerland (Investment bankers)</p>	<p>Mr. Trucker York, Jr. General Manager Tel. (41-1) 224 10 00 Fax. (41-1) 224 10 50</p>
<p>Merrill Lynch International Inc. 12, route de Florissant P.O. Box 254 CH-1211 Geneva 12 (Private banking, international asset management, securities trading, fiduciary deposits, offices in Geneva, Zurich and Lugano)</p>	<p>Mr. John Maillard General Manager Tel. (41-22) 703 12 12 Fax. (41-22) 703 13 00</p>
<p>Salomon Smith Barney Inc. Salomon Brothers International Schipfe 2 CH-8022 Zurich, Switzerland (Equity and equity derivatives, stockbrokers, offices in Zurich and Geneva).</p>	<p>Mr. Reto Leibacher Manager Tel. (41-1) 215 45 45 Fax. (41-1) 215 45 90</p>

IX. BUSINESS TRAVEL

U.S. business travelers are encouraged to obtain a copy of the "Key Officers of Foreign Service Posts: Guide for Business Representatives" available for sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402; tel: (202) 512-1800; fax: (202) 512-2250. Business travelers to Switzerland seeking appointments with U.S. Embassy Bern officials should contact the commercial section in advance. The commercial section can be reached by telephone at (41 31) 357-7345, or fax at (41 31) 357-7336, or e-mail at Office

Bern@mail.doc.gov.

- **Business Customs**

As a prosperous, highly developed Western democracy with a modern market economy, Switzerland's business customs and practices are akin to those of other northern European countries. While some American businessmen may find their Swiss counterparts somewhat conservative in such things as dress and the formal use of family (rather than first) names, conducting business in Switzerland is quite similar to how business operates in the United States. Punctuality, particularly in German-speaking areas, is highly valued. Allowing ample lead time in setting up business appointments is also considered polite; one should not expect to "drop in" without an appointment on a business acquaintance.

- **Travel Advisory and Visas**

A valid passport is required to enter Switzerland, but a Swiss visa is not required for business trips of up to ninety days. Swiss residency and work permits for longer stays and/or employment are extremely difficult to obtain, as the Swiss government imposes severe limitations on immigration and the country's foreign work force. All foreigners, including Americans, must have a work permit before commencing employment. The complicated process of obtaining a work visa takes several months. For more information contact the Consular Section of the Swiss Embassy in Washington, or the Swiss Consular Office in Atlanta, Chicago, Houston, Los Angeles, New York, or San Francisco.

Switzerland is a stable, prosperous democracy with a low rate of violent crime. However, pickpocketing and purse-snatching do occur, especially during peak tourist periods and where major conferences, shows, or exhibits are held. A typical scam used against businessmen is for a thief to grab an attache case in a hotel or airport while an accomplice distracts the victim. Loss or theft of a U.S. passport should be reported to the local police immediately and to the American Embassy in Bern at (031) 357-7234.

Under most circumstances, a replacement can be issued in the course of a working day.

Countrywide emergency telephone numbers are: Police 117; Fire 118; and Ambulance 144. There is usually an English-speaking contact available.

- Holidays

Swiss national holidays in 1999 and 2000 are listed below. Unlike the U.S. practice, holidays in Switzerland falling on a weekend are not compensated for on the following Monday; most of the holiday dates vary yearly according to the Church calendar; and many Swiss cities have one or more local holidays in addition to the national holidays indicated below. The U.S. Embassy is closed on all U.S. and Swiss holidays.

1999

January 1	(Friday)	New Year's
April 2	(Friday)	Good Friday
April 5	(Monday)	Easter Monday
May 13	(Thursday)	Ascension Day
May 24	(Monday)	Whitmonday

2000

April 21	(Friday)	Good Friday
April 24	(Monday)	Easter Monday
June 1	Thursday)	Ascension Day
June 12	(Monday)	Whitmonday
August 1	(Tuesday)	Swiss National Day
December 25	(Monday)	Christmas
December 26	(Tuesday)	Boxing Day

- Business Infrastructure

The Swiss business infrastructure is excellent. The country is served by major international airports in Zurich and Geneva, and smaller ones in Basel and Bern. Road and rail networks, despite the country's mountainous terrain, are well-maintained and efficient. Urban public transport is unsurpassed. Telecommunications is modern and, with the advent of deregulation, prices have dropped dramatically. The Swiss enjoy one of the highest standards of living in the world -- and an exceptionally high cost of living to match. Everything is available, albeit at prices higher than in the United States, from modern communications, a wide variety of food, good housing, well developed tourist facilities, to excellent health care. (Note: U.S. medical insurance is not always valid outside the United States. Travelers should check their companies for specific overseas coverage.)

Switzerland is a multilingual country. The majority of Swiss in the center and northeast part of the country speak German. French is the principal language of Geneva and the western cantons, and Italian is spoken in the south, especially in the Ticino Canton (Lugano/Locarno). English is also widely spoken in business and tourist centers throughout the country.

- **Temporary entry of goods**

Personal effects, including laptop computers and the software that goes with them, do not need to be declared and can enter Switzerland freely. If a businessman were to bring a new computer system with him, he would need to declare it and pay a deposit covering the VAT and applicable customs duty (which would be refundable on leaving the country with the item in question). For more extensive items accompanying a businessman, the ATA Carnets in use for a wide range of countries may be used in Switzerland as well. Exhibit materials may come into the country freely with a Carnet but if they are to be sold at a trade fair then the applicable duties and VAT would have to be paid. The trade fairs in Switzerland all have customs offices that can facilitate the payment of fees and clearing of items in an expeditious fashion.

X. APPENDICES

The economic information which follows in Appendices A-D is derived from official Swiss sources, converted to U.S. dollars at the annual average exchange rate of \$1=SF 1.45. **All figures are expressed in millions of U.S. dollars, unless otherwise noted.**

A. COUNTRY DATA

Population: 7,114,600

Pop. Growth Rate: 0.3%

Religions: Roman Catholic (46%); Protestant (40%); Other Religions (7%); no religious faith (7%)

Government: Switzerland has been a Federal State, now consisting of 26 Cantons, since 1848. It is headed by a seven-member Federal Council; the Parliament consists of the Council of States (46 members) and the National Council (200 members).

Current President: Ruth Dreifuss; Federal elections every 4 years.

Languages: German(64%); French(19%); Italian(8%); Romansch(1%); Other (8%).

B. DOMESTIC ECONOMY (Millions of \$, except as noted)

	1997	1998	1999 (est.)	Source
GDP (current)	256.27	264.44	257.74	BFS
Real GDP Growth				
Rate (%)	1.7%	2.1%	0.7%	BFS,BWA,UBS
GDP per Capita (\$)	30,693	n/a	n/a	SNB
Govt. Spending				
(% of GDP)	15.5%	15.3%	15.4%	JB
Inflation (%)	0.5%	0.0%	0.8%	BFS,JB
Unemployment (%)	5.2	3.9	3.3	BWA,BFS,OECD
Foreign Exchange				
Reserves	36,738	n/a	n/a	SNB/BFS
Average Exchange				
Rate (\$1=SF)	1.45	1.45	1.49	SNB,JB
Debt Service Ratio	-0-	-0-	-0-	
US Economic Assistance	-0-	-0-	-0-	
US Military Assistance	-0-	-0-	-0-	

C. TRADE (Millions of \$, except as noted)

	1997	1998	1999 (est.)	Source
Total Country Exports	72,505	75,250	74,245	EZV
Total Country Imports	71,095	73,700	75,099	EZV
Exports to the US	7,116	7,652	7,735	EZV
Imports from the US	5,080	4,674	4,738	EZV
US % of Swiss Exports	9.8%	10.2%	10.4%	AMCHAM/EZV
US % of Swiss Imports	7.9%	6.3%	6.3%	AMCHAM/EZV

D. INVESTMENT	(Millions of \$) - only Book Values available			
	1997	1998 (est.)	1999 (est.)	Sources
Total Foreign Direct Investment	56,584	n/a	n/a	SNB
North America				
Direct Investment	12,896*	n/a	n/a	SNB
U.S. Share of Total Foreign Investments	23%			

*The Swiss National Bank does not provide a breakdown of the book-value for North American Direct Investment in Switzerland.
(Historical values not available).

SOURCES

AMCHAM	Swiss-American Chamber of Commerce
BFS	Federal Statistics Office
BWA	Federal Dept. of Economics and Labor
EZV	Federal Department of Finance
JB	Bank Julius Baer
OECD	Organization for Econ. Cooperation and Development
SCB	Survey of Current Business
SNB	Swiss National Bank
UBS	Union Bank of Switzerland

E. U.S. AND COUNTRY CONTACTS**- U.S. Embassy Trade Related Contacts****U.S. Embassy Bern**

Ambassador:	Madeleine May Kunin
Deputy Chief of Mission:	Carey Cavanaugh
Commercial Counselor:	James Joy
Commercial Specialist:	Werner Wiedmer
Commercial Specialist:	Ernst Hegg
Commercial Assistant:	Elsbeth Altmann
Commercial Assistant:	Marianne von Känel
Economic/Political Counselor:	Dennis Ortblad
Pol/Econ Officer:	David Jaberg
Pol/Econ Specialist:	Anne Bichsel
Pol/Econ Specialist:	Christina Cuk
Agricultural Counselor:	Ken Roberts
Agricultural Attache:	Eugene Philhower
Agricultural Attache:	David Mergen

Street/International Mail

Jubilaeumstrasse 93-97
P.O. Box
CH-3001 Bern
Switzerland
Tel: (41-31) 357-7011
Fax: (41-31) 357-7336

U.S. Pouch Address

American Embassy Bern
U.S. Department of State
Washington, D.C. 20521-5110

Zurich America Center

Commercial Specialist:	Sandor Galambos
Commercial Assistant:	Elisabeth Mbitha-Schmid

International Mail

Dufourstrasse 101
8008 Zurich
Tel: (41-1) 422-2372
Fax: (41-1) 382-2655

America Center of Geneva

Commercial Assistant:	Georges Laurent
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International Mail

ACG, c/o U.S. Mission
Route de Pregny 11
CH-1292 Chambesy-Geneva

U.S. Pouch Address

ACG, c/o U.S. Mission
Geneva
Department of State
Washington, D.C. 20521-5110

Located at

World Trade Center (former IBC)
 Rte. de Pre-Bois 29
 Geneva Airport
 Tel: (41-22) 798-1662
 Fax: (41-22) 788-0010

- AmCham and Swiss Chambers of Commerce

There is no central chamber of commerce for all of Switzerland, rather each canton has its own chamber. There are also chamber associations covering business between Switzerland and most major trading partners. Following is the address of the Swiss-American Chamber of Commerce, as well as a selection of cantonal chambers.

Swiss-American Chamber of Commerce
 Talacker 41
 CH-8001 Zurich, Switzerland

Contact: W. Diggelmann
 Tel: (41-1) 211 24 54
 Fax: (41-1) 211 95 72

Aargau

Aargauische Industrie-
 und Handelskammer
 Entfelderstrasse 11
 CH-5001 Aarau, Switzerland

Director: Dr. Suter
 Tel: (41-62) 837 18 18
 Fax: (41-62) 837 18 19

Basel

Basler Handelskammer
 St. Alban-Graben 8
 CH-4001 Basel, Switzerland

Director: Dr. Burkhardt
 Tel: (41-61) 272 18 88
 Fax: (41-61) 373 62 28

Bern

Berner Handelskammer
 Gutenbergstrasse 1
 CH-3001 Bern, Switzerland

Director: Dr. Portmann
 Tel: (41-31) 382 17 11
 Fax: (41-31) 382 17 15

Fribourg

Chambre Fribourgeoise du
 Commerce et de l'Industrie
 37, rte. du Jura,
 CH-1706 Fribourg, Switzerland
<http://www.cci.ch/fribourg>

Director: Mr. Uebersax
 Tel: (41-26) 347 12 20
 Fax: (41-26) 347 12 39

Geneva

Chambre de Commerce et de
 l'Industrie de Geneve
 Bd du Theatre 4, C.P. 5039
 CH-1211 Geneve 11, Switzerland

Director: P. Coidan
 Tel: (41-22) 819 91 11
 Fax: (41-22) 819 91 00

Glarus

Glarner Handelskammer
 Spielhof 14a
 CH-8750 Glarus, Switzerland

Secretary: Dr. Landolt
 Tel: (41-55) 640 11 73
 Fax: (41-55) 640 36 39

Graubunden

Bundner Handels- und Industrieverein
Poststrasse 43
CH-7002 Chur, Switzerland

Secr: Dr. Ettisberger
Tel: (41-81) 252 63 06
Fax: (41-81) 252 04 49

Jura

Chambre de Commerce et
d'industrie du Jura
Rue de l'Avenir 23, C.P. 174
CH-2800 Delemont 1, Switzerland

Director: Mr. Gerber
Tel: (41-32) 421 45 45
Fax: (41-32) 421 45 40

Luzern

Zentralschweiz. Handelskammer
Kapellplatz 2
CH-6002 Luzern, Switzerland

Secr: Mr. Schlatter
Tel: (41-41) 410 68 65
Fax: (41-41) 410 52 88

Neuchatel

Chambre Neuchateloise du
Commerce et de l'Industrie
Rue de la Serre 4, C.P.
CH-2001 Neuchatel, Switzerland
E-mail: cnci@cci.ch

Director: Mr. Bernoulli
Tel: (41-32) 722 15 15
Fax: (41-32) 722 15 20

Solothurn

Solothurnische Handelskammer
Grabackerstrasse 6
CH-4502 Solothurn, Switzerland
<http://www.swk.ch>

Director: Dr. Meyer
Tel: (41-32) 626 24 24
Fax: (41-32) 626 24 26

St. Gallen

Industrie- und Handelskammer
St. Gallen - Appenzell
Gallusstrasse 16, P.O. Box
CH-9001 St. Gallen, Switzerland

Director: Dr. H. Schmid
Tel: (41-71) 223 15 15
Fax: (41-71) 222 47 27

Thurgau

Thurgauer Industrie- und
Handelskammer
Schmidstrasse 9, Postfach 317
CH-8570 Weinfelden, Switzerland

Director: Mr. Fehle
Tel: (41-71) 622 19 19
Fax: (41-71) 622 62 57

Ticino

Camera di Commercio del
Cantone Ticino
Corso Elvezia 16
CH-6901 Lugano, Switzerland

Director: Mr. Camponovo
Tel: (41-91) 911 51 11
Fax: (41-91) 911 51 12

Valais/Wallis

Chambre Valaisanne de Commerce
Rue Pre-Fleuri 6, C.P.
CH-1951 Sion, Switzerland

Director: Mr. Gsponer
Tel: (41-27) 327 35 35
Fax: (41-27) 327 35 36

Vaud

Chambre Vaudoise de Commerce
et de l'Industrie
Avenue d'Ouchy 47, P.O. Box 205
CH-1000 Lausanne 13, Switzerland
<http://www.cci.ch/vaud>

Director: J.L. Strohm
Tel: (41-21) 613 35 35
Fax: (41-21) 613 35 05

Winterthur

Handelskammer & Arbeitgebervereinigung
Winterthur (HAW)
Neumarkt 15, P.O. Box 905
CH-8401 Winterthur, Switzerland

Secretary: Mr. Modl
Tel: (1-52) 213 07 63
Fax: (41-52) 213 07 29

Zurich

Zurcher Handelskammer
Bleicherweg 5, P.O. Box 4031
CH-8022 Zurich, Switzerland
<http://www.zurichcci.ch>

Director: Mr. Boesch
Tel: (41-1) 221 07 42
Fax: (41-1) 211 76 15

- Swiss Trade or Industry Associations

The following lists trade associations most relevant to U.S. companies pursuing business in Switzerland. For a complete listing of associations, please consult the Publicus 1996/97 "Schweizer Jahrbuch des oeffentlichen Lebens", published by Schwabe & Co. AG Verlag, P.O. Box 254, CH-4132 Muttensz, Switzerland; Tel: (41-61) 461-2761; Fax: (41-61) 461-2500.

Vorort des Schweizerischen
Handels- und Industrievereins (SHIV)
(Union of Commerce and Industry Assn)
Mainaustrasse 49
CH-8008 Zurich, Switzerland

Dir: Dr. R. Ramsauer
Tel: (41-1) 382 23 23
Fax: (41-1) 382 23 32

Schweizerische Zentrale
fuer Handelsfoerderung (OSEC)
(Swiss Office for Trade Promotion)
Stampfenbachstrasse 85
CH-8035 Zurich, Switzerland

U.S. Desk: Ms. Kuenzli
Tel: (41-1) 365 51 51
Fax: (41-1) 365 52 21

Vereinigung des Schweizerischen

Director: Dr. Zeller

Import- und Grosshandels (VSIG) (Fed.of Importers & Wholesalers) P.O. Box 656 CH-4010 Basel, Switzerland	Tel: (41-61) 271 33 85 Fax: (41-61) 272 30 39
H+ Hospitals of Switzerland Rain 32 CH-5001 Aarau, Switzerland	Dir: Mr.Haudenschild Tel: (41-62) 824 12 22 Fax: (41-62) 822 33 35
Schweizerischer Verband der Internationalen Handelsfirmen (Swiss Assn. of Intl. Trading Houses) Aeschenvorstadt 4 CH-4010 Basel, Switzerland	Secretary: Dr. Pfeifer Tel: (41-61) 279 33 91 Fax: (41-61) 279 33 10
Verband Schweiz. Versandhandels (VSV) (Mail Order Association) Brandenbergstrasse 30 CH-8304 Wallisellen, Switzerland	President: H.M. Meier Tel: (41-1) 830 16 02 Fax: (41-1) 830 16 08
Verein Schweizerischer Maschinenindustrieller (VSM) (Machinery Manufacturers Association) Kirchenweg 4 CH-8032 Zurich, Switzerland	Director: Dr. M. Erb Tel: (41-1) 384 48 44 Fax: (41-1) 384 48 48
Vereinigung fuer Schweiz. Luft- fahrtindustrie (ASIA) (Swiss Aeronautical Industry Group) Industry) Kirchenweg 4 CH-8032 Zurich	Contact: Mr. Kobelt Tel: (41-1) 384 48 44 Fax: (41-1) 384 48 49
Verband des Schweiz. Maschinen- und Werkzeughandels (Machine & Tool Trade Association) Buchhaldenstrasse 10 CH-8610 Uster, Switzerland	Contact: Mr. Luther Tel: (41-1) 940 93 36 Fax: (41-1) 940 93 44
Verein Schweiz. Metallwarenfabr. (Metal Product Mfr's Association) Gartenstrasse 3 CH-6304 Zug, Switzerland	Secretary: P. Schnadt Tel: (41-41) 711 61 34 Fax: (41-41) 711 88 43
Schweiz. Elektronischer Verein Luppenstrasse 1 CH-8320 Fehraltorf	Director: Dr. Jurczek Tel: (41-1) 956 11 11 Fax: (41-1) 956 11 22

Schweizerische Normen-Vereinigung (SNV) (Standards Association) Muehlebachstrasse 54 CH-8008 Zurich, Switzerland	Director: Dr. Zuerrerer Tel: (41-1) 254 54 54 Fax: (41-1) 254 54 74
Schweiz. Technischer Verband (STV) (Technical Association) Weinbergstrasse 41, Postfach CH-8006 Zurich, Switzerland http://www.swissengineering.ch	Secretary: S. Schwitter Tel: (41-1) 268 37 11 Fax: (41-1) 268 37 00
Schweizer Automatik Pool (SAP) (Electronics, Automation Equipment & Computer Manuf. & Distr. Association) c/o ATAG Ernst & Young AG P.O. Box 5272 CH-8022 Zurich, Switzerland http://www.sap-verband.ch	Contact: Mr. R. Schmid Tel: (41-1) 286 31 11 Fax: (41-1) 202 92 83
ProTelecom (Telecommunication Association) Laupenstrasse 18a, P.O. Box CH-3001 Bern, Switzerland	Director: Mr. Wilhelm Tel: (41-31) 390 40 40 Fax: (41-31) 390 40 41
ASUT (Swiss Telecommunications Users Assoc.) P.O. Box CH-8023 Zurich, Switzerland	President: Mr. Gerber Tel: (41-41) 747 30 60 Fax: (41-41) 747 30 61
SWICO (Information, Communication, Software & Business Organization Association) Badenerstrasse 356 CH-8040 Zurich, Switzerland	President: Dr. Lindecker Tel: (41-1) 492 48 48 Fax: (41-1) 492 35 09
Verband Schweiz. Firmen fuer Arzt- und Spitalbedarf (FAS) (Medical & Hospital Supply Assoc.) Monbijoustrasse 22 CH-3011 Bern, Switzerland	Contact: Mr. Markwalder Tel: (41-31) 380 85 87 Fax: (41-31) 380 85 86
Schweiz. Ingenieur & Architekten Verein (Society of Engineers and Architects) Selnaustrasse 16 CH-8039 Zurich, Switzerland	President: Mr. Mosimann Tel: (41-1) 283 15 15 Fax: (41-1) 201 63 35
Swiss Textile Federation P.O. Box 4838 CH-8022 Zurich, Switzerland	Director: Dr. A. Hafner Tel: (41-1) 201 57 55 Fax: (41-1) 201 01 28

Schweiz. Gesellschaft fuer Chemische Industrie (SGCI) (Chemical Ind. Assoc.)	Director: Dr. R. Ulrich
P.O. Box, Nordstrasse 15	Tel: (41-1) 368 17 11
CH-8035 Zurich, Switzerland	Fax: (41-1) 368 17 70

Schweizerische Bankiervereinigung (Swiss Banking Association)	Secr: Prof. Blattner
P.O. Box 4182, Aeschenplatz 7	Tel: (41-61) 295 93 93
CH-4002 Basel, Switzerland	Fax: (41-61) 272 53 82

Schweizer Hotelierverein Swiss Hotel Association	Director: Mr. H. Probst
Monbijoustrasse 130	Tel: (41-31) 370 41 11
CH-3001 Bern, Switzerland	Fax: (41-31) 370 44 44
http://www.swisshotels.ch	

Verband Elektronischer Zahlungsverkehr (Electronic Payment Systems Assoc.)	President: P.-A. Steim
Froburgstrasse 98	Tel: (41-1) 363 14 00
CH-8006 Zurich, Switzerland	Fax: (41-1) 363 15 25

- Swiss Government Agencies

The following list of Swiss government agencies may be of relevance to U.S. companies doing business in and with Switzerland. The "Eidgenoessischer Staatskalender", published by Eidg. Drucksachen- und Materialzentrale (Federal Printing Office), CH-3000 Bern, Switzerland, provides a comprehensive listing of Swiss government departments and officials.

Eidgenoessische Departement des Innern: (Federal Department of Home Affairs)

Bundesamt fuer Statistik (Federal Office for Statistics)	Director: C. Malaguerra
Espace de l'Europe 10	Tel: (41-32) 713 60 11
CH-2010 Neuchatel, Switzerland	Fax: (41-32) 713 60 02

Bundesamt fuer Gesundheitswesen (BAG) (Federal Office for Public Health)	Director: Dr. Zeltner
Schwarzenburgstrasse 165	Tel: (41-31) 322 21 11
CH-3097 Liebefeld, Switzerland	Fax: (41-31) 322 95 07

Eidgenoessische Justiz- und Polizeidepartement: (Federal Department of Justice and Police)

Eidg. Amt fuer Messwesen (Fed. Office for Weights and Measures)	Director: Dr. Schwitz
Lindenweg 50	Tel: (41-31) 323 31 11
CH-3084 Wabern, Switzerland	Fax: (41-31) 323 32 10

Eidg. Institut für Geistiges Eigentum	Dir: Dr. Grossenbacher
(Fed. Inst. for Intellectual Property)	Tel: (41-31) 325 25 25
Einsteinstrasse 2	Fax: (41-31) 325 25 26
CH-3003 Bern, Switzerland	

**Eidg. Departement für Verteidigung, Bevölkerungsschutz und Sport:
(Fed. Dept. of Defence, Protection of the Population and Sport)**

Gruppe für Rüstungsdienste	Director: Mr. T. Wicki
(Armaments Group)	Tel: (41-31) 324 57 01
Kasernenstrasse 19	Fax: (41-31) 324 57 63
CH-3003 Bern, Switzerland	

**Eidgenoessische Finanzdepartement:
(Federal Department of Finance)**

Eidg. Zollverwaltung	Director: Dr. Dietrich
(Federal Customs Office)	Tel: (41-31) 322 65 11
Monbijoustrasse 40	Fax: (41-31) 322 78 72
CH-3003 Bern, Switzerland	

**Eidgenoessische Volkswirtschaftsdepartement:
(Federal Department of Economic Affairs)**

Bundesamt für Aussenwirtschaft (BAWI)	Secretary: Dr. Syz
(Fed. Office of External Economic Aff.)	Tel: (41-31) 324 09 91
Bundeshaus Ost	Fax: (41-31) 324 10 00
CH-3003 Bern, Switzerland	

Bundesamt für Wirtschaft und Arbeit	Director: J. Nordmann
(Fed. Office for Econ. Dev. & Labor)	Tel: (41-31) 322 29 44
Bundesgasse 8	Fax: (41-31) 322 27 49
CH-3003 Bern, Switzerland	

Bundesamt für Berufsbildung & Technol.	Director: H. Sieber
(Fed. Off. for Prof. Training & Techn.)	Tel: (41-31) 322 21 29
Effingerstrasse 27	Fax: (41-31) 374 96 15
CH-3003 Bern, Switzerland	

**Eidg. Dept. für Umwelt, Verkehr, Energie und Kommunikation:
(Fed. Dept. of Environment, Transport, Energy and Communications)**

Bundesamt für Zivilluftfahrt	Director: Andre Auer
(Federal Office for Civil Aviation)	Tel: (41-31) 325 80 39
Maulbeerstrasse 9	Fax: (41-31) 325 80 32
CH-3003 Bern, Switzerland	

Bundesamt für Umwelt, Wald & Landschaft	Director: Dr. P. Roch
(Fed. Office for the Environment, Forestry and the Landscape)	Tel: (41-31) 322 93 11
Papiermühlestrasse 172	Fax: (41-31) 322 79 58
CH-3063 Ittigen, Switzerland	

Bundesamt für Kommunikation	Director: Mr. M. Furrer
Federal Office for Communications	Tel: (41-32) 327 55 11
Zukunftsstrasse 44	Fax: (41-32) 327 55 55

CH-2501 Biel, Switzerland

Quasi Public Organizations:

Swiss Post
Viktoriastrasse 21
CH-3030 Bern, Switzerland

Director: Mr. R. Braun
Tel: (41-31) 338 28 16
Fax: (41-31) 338 56 00

Swisscom AG
Viktoriastrasse 21
CH-3030 Bern, Switzerland

Director: Tony Reis
Tel: (41-31) 342 11 11
Fax: (41-31) 342 25 49

- Swiss Market Research Firms

Following are some of the major Swiss companies performing market research. Terms and fees must be solicited by the U.S. company. The U.S. Embassy cannot recommend one firm over another.

Consultex SA
157 Rte du Gd-Lancy
CH-1213 Onex-Geneva, Switzerland

Director: A. Sundberg
Tel: (41-22) 792 16 59
Fax: (41-22) 793 39 15

A.C. Nielsen S.A.
Nielsenstrasse 8, Postfach
CH-6033 Buchrain, Switzerland

Director: Mr. Ittensohn
Tel: (41-41) 445 64 64
Fax: (41-41) 440 17 07

Battelle-Europe
Geneva Research Centers
7 route de Drize
CH-1227 Carouge-Geneva, Switzerland

Director: Roland Adoutte
Tel: (41-22) 827 27 27
Fax: (41-22) 343 67 32

IHA
Institut fuer Marktanalysen AG
Obermattweg 9
CH-6052 Hergiswil, Switzerland

Director: Peter Hofer
Tel: (41-41) 632 91 11
Fax: (41-41) 632 91 23

Real Marketing AG
Dufourstrasse 107, P.O. Box
CH-8034 Zurich

Director: H.O. Walter
Tel: (41-1) 383 08 83
Fax: (41-1) 383 08 84

Admerca AG
Telecom Consultants
Arosastrasse 25
CH-8008 Zurich, Switzerland

Director: P. Betschert
Tel: (41-1) 422 41 77
Fax: (41-1) 422 97 77

Trimedia Communications AG
Zollikerstrasse 141, P.O. Box
CH-8034 Zurich, Switzerland

Pres: Mr. Gutknecht
Tel: (41-1) 388 91 21
Fax: (41-1) 388 91 12

- Swiss Commercial Banks

Following are the head offices of the two largest commercial banks in Switzerland. Each has numerous branches throughout the

country. For additional information on these and other banks, please consult the Swiss Financial Yearbook, published by Elvetica Edizioni SA, P.O. Box 134, Via Vela 6a CH-6834 Morbio-Inferiore, Switzerland; Tel: (41-91) 683 50 56; Fax: (41-91) 683 76 05.

UBS AG
Bahnhofstrasse 45, P.O. Box
CH-8021 Zurich, Switzerland
<http://www.usb.com>

Pres: Mr. M. Ospel
Tel: (41-1) 234 11 11
Fax: (41-1) 236 51 11

Credit Suisse
Paradeplatz 8
P.O. Box 100
CH-8070 Zurich, Switzerland
<http://www.csg.ch>

Chairman: Mr. R.E. Gut
Tel: (41-1) 333 11 11
Fax: (41-1) 332 55 55

- U.S.-Based Multipliers Relevant for Switzerland

The Swiss-American Chamber of Commerce, in addition to its head office in Zurich (see Chamber heading above), maintains offices in four U.S. locations:

New York Chapter
Administrative Office
Swiss Center, 608 Fifth Ave.
New York, NY 10020

Chairman: R. Stalder
Tel: (212) 246-7789
Fax: (212) 246-1366

Southeast U.S.A. Chapter
1777 Northeast Expressway
Atlanta, GA 30308-3242

Chairman: Dr. Schneider
Tel: (404) 327-8331
Fax: (404) 329-2579

Southeast U.S.A. Chapter
Carolina Division
2208 Houston Branch Road
Charlotte, NC 28270

Chairman: Heinz Roth
Tel: (704) 292-1237
Fax: (704) 292-1137

Southeast U.S.A. Chapter
Florida Division
1201 Orlando Ave., P.O. Box 8181
Winter Park, FL 32790

Chairman: L. Burkhardt
Tel: (407) 645-3500
Fax: (407) 645-3529

California - San Francisco Chapter
P.O. Box 641260
San Francisco, CA 94164-1260

Chairman: E. Sennhauser
Tel: (415) 433-6679
Fax: (415) 433-6601

California - Los Angeles Chapter	Chairman: R. Wacker
c/o Julius Baer Rep. Office	Tel: (310) 286-0201
1900 Avenue of the Stars, Ste. 2701	Fax: (310) 286-0306
Los Angeles, CA 90067	

The Swiss government maintains official representation in the U.S. through its Embassy in Washington and Consulates General in six locations:

Embassy of Switzerland	Amb: Alfred Defago
2900 Cathedral Avenue, N.W.	Tel: (202) 745-7900
Washington, D.C. 20008-3499	Fax: (202) 387-2564
http://www.swissemb.org	

Swiss Consulate General	Consul: Fred Jenny
1275 Peachtree Street, N.W., Ste. 425	Tel: (404) 870-2000
Atlanta, GA 30309-3533	Fax: (404) 870-2011

Swiss Consulate General	Consul: Eduard Jaun
737 N. Michigan Ave, Ste. 2301	Tel: (312) 915-0061
Chicago, IL 60611-0561	Fax: (312) 915-0388

Swiss Consulate General	Consul: A. Muggler
Wells Fargo Bank Plaza	Tel: (713) 650-0000
1000 Louisiana, Suite 5670	Fax: (713) 650-1321
Houston, TX 77002	

Swiss Consulate General	Consul: H.-P. Egger
11766 Wilshire Boulevard, Suite 1400	Tel: (310) 575-1145
Los Angeles, CA 90025	Fax: (310) 575-1982
http://www.swissconla.org	

Swiss Consulate General	Amb: Jacques Reverdin
633 Third Ave., 30th Floor	Tel: (212) 599-5700
New York, NY 10017	Fax: (212) 599-4266

Swiss Consulate General	Consul: A. Bähler
456 Montgomery Street, Suite 1500	Tel: (415) 788-2272
San Francisco, CA 94104-1233	Fax: (415) 788-1402

- Other Multipliers Relevant for Switzerland

Some 30 U.S. states maintain their own offices in Europe for economic development and trade promotion. Most are members of the Council of American States in Europe (CASE). While these offices often focus on attracting European, including Swiss, investment to their respective states, they also provide trade assistance. Many sponsor group participation at major trade events or organize trade and investment missions, led by prominent state officials. A list of CASE offices is available from the Chairman: John D. Gatto, Director, State of Wisconsin, European Office, Wilhelm-Leuschner-

Str. 10, D-60329 Frankfurt am Main, Tel. (49-69) 23 05 71, Fax. (49-69) 23 05 93.

- **TPCC Trade Information Center in Washington: 1-800-USA-TRADE**

U.S. Department of State
Office of Business Affairs
Tel: (202) 746-1625
Fax: (202) 647-3953

U.S. Department of Commerce
Country Desk Officer
(for market access and regulatory problems only)
Tel: (202) 482-2434
Fax: (202) 482-2897

U.S. Department of Agriculture (USDA)
Foreign Agricultural Service (FAS)
14th and Independence Avenue, S.E.
South Building
Washington, D.C. 20250

For Swiss agricultural trade policy issues, contact the:

International Trade Policy/Europe, Asia and Middle East Division
Tel: (202) 720-1340; Fax: (202) 690-2079

For specific agricultural commodity questions, contact the:

Tobacco, Cotton & Seeds Division
Tel: (202) 690-9516; Fax: (202) 690-1171
Horticultural & Tropical Products Division
Tel: (202) 720-6590; Fax: (202) 720-3799
Forest & Fishery Products Division
Tel: (202) 720-0638; Fax: (202) 720-8461
Oilseeds & Products Division
Tel: (202) 720-9516; Fax: (202) 720-0965
Grain & Feed Division
Tel: (202) 720-6219; Fax: (202) 720-0340
Dairy, Livestock, & Poultry Division
Tel: (202) 720-8031; Fax: (202) 720-0617
High Value Products Division
Tel: (202) 690-0752; Fax: (202) 690-4374

Overseas Private Investment Corporation
1100 New York Ave. N.W.
Washington, DC 20527
Tel: (202) 336-8799

F. MARKET RESEARCH

- **U.S. Department of Commerce Industry Subsector Analysis
(ISA) Reports**

ISAs are market research reports prepared by Commercial Service specialists abroad. Averaging 15-20 pages, they cover developments in the country's market subsectors of potential interest to U.S. business. The Commercial Service in Bern prepares about 12 ISAs annually. These can be accessed through the National Trade Data Bank (NTDB), or upon request to Bern. Commercial Service Switzerland's Industry Subsector Analysis (ISA) reports for FY1997 were:

Electric Energy management Systems - (December, 1996)
Frozen Food - (December, 1996)
Equestrian\Western Wear and Accessories - (January, 1997)
Analytical Wet Chemistry Process Control Instruments -
(January, 1997)
Wireless Communications - (March, 1997)
Airport Security Equipment and Services - (April, 1997)
Jewelry - (April, 1997)
Water Pollution Control and Monitoring Instruments - (May 97)
Guide to Doing Business in the Newly Liberalized
Telecommunications Market -(May 97)
Health Care Market - Switzerland -(May 97)
Renewable Energy Equipment -(May 97)
Winter Sporting Goods -(June 97)
Travel and Tourism -(August 97)
Weaponry and Ammunition/Accessories and Hunting Equipment -
(August 97)

In FY1998, the following ISAs were completed:

Fashion Market Switzerland - Overview (December , 1997)
Civil/Military Aviation Switzerland (Overview): Aircraft, Engine
and Spare/Replacement Parts (January, 1998)
Computer Networking Hardware and Software (February, 1998)
Swiss Waste Incineration Equipment Market (March, 1998)
Airport Expansion Projects - Switzerland (March, 1998)
Fitness Equipment (May, 1998)
Cosmetics Industry Overview -- Switzerland (May, 1998)
Automotive Parts, Systems and Accessories - Overview (June, 1998)
Drugs and Pharmaceuticals (June, 1998)
Swiss Recycling Equipment Market (August, 1998)
Franchising in Switzerland - Overview (September, 1998)
PC Software (September, 1998)
Studying in the United States (September, 1998)

Swisscom and the Newly Liberalized Telecommunications Market
(September, 1998)

During FY99 the following ISAs were planned:

Air Traffic Control Equipment/Services (December, 1998)

Swiss Footwear Market - Overview (December, 1998)

Defense Market (April, 1999)

Dental Products (April, 1999)

Golf Equipment (April, 1999)

Financial Services - The Banking Scene in Switzerland
(June, 1999)

Tourism and Travel (June, 1999)

Vehicles: Passenger Cars/Vans, Busses, Light/Heavy Trucks,

Utility/Commercial Vehicles (July, 1999)

Internet Services (August, 1999)

Doing Business in the Newly Liberalized Telecommunications Market
(September, 1999)

Renewable Energy Equipment and Services (August, 1999)

Hazardous Waste Management and Disposal Equipment Services
(September, 1999)

Do It Yourself (August, 1999)

**- U.S. Department of Commerce International Market Insight
(IMI) Reports**

IMIs are shorter, more time-sensitive reports on a wide range of topics of commercial interest in a particular market. The Commercial Service in Switzerland produces more than a hundred IMIs per year. They are available electronically through the NTDB, or upon request to Bern.

G. TRADE EVENT SCHEDULE

The following major trade events, taking place in Switzerland in 1999/2000, may be of interest to U.S. companies seeking business opportunities in Switzerland (we have included some events that have already taken place; if they are of interest, catalogs of exhibitors can still be ordered from the organizers). Events preceded by an asterisk (*) are organized by the Commercial Service in Bern or are supported by CS Bern and/or FAS Bern through the placement of a Business Information Office staffed by CS personnel, a catalog display of U.S. company brochures and/or full (own) booth participation in a U.S. pavilion, and the development of personalized trade leads. For further information, please contact the U.S. Embassy in Bern.

<u>Date</u>	<u>Location</u>	<u>Event</u>
Oct. 10-17, 1999	Geneva	*Telecom '99
Oct. 26-28, 1999	Montreux	*TTW - Travel Trade Workshop (Tourism)
Nov. 8-9, 1999	Geneva,	*MBA Fair
Nov. 19-24	Zurich Basel	*IGEHO (restaurant/hotel goods)
Jan. 6-19, 2000	Zurich	ORNARIS (gift/consumer goods)
Jan.18-19, 2000	Zurich	* Visit North America Seminar (tourism)
March 9-19, 2000	Geneva	International Motor Show
March 23-30, 2000	Basel	Jewelry Exhibition
March 28-31, 2000	Zurich	*Worlddidac (educational goods/services)
April 2000	Geneva	International Exhibition of Inventions
April 2000	Lausanne	Computer '2000
May 23-25, 2000	Geneva	EIBTM (tourism)
Sep.26-30, 2000	Basel	Orbit '2000 (office equipment, data processing, and communications)
Nov. 14-17, 2000	Basel	MUT Exhibition for Environmental Technology